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The Winds of Change and Managerial Communication Practices

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U.S. business organizations are beset by numerous conflicting pressures emanating from a wide variety of sources. One characteristic of a healthy organization is the ability to adapt to the pressures. This study was undertaken to determine the changes in communication practices in business organizations during the last five years. One hundred and eighty-eight organizations are represented in the survey of internal and external communication practices.

THE WINDS OF CHANGE AND MANAGERIAL COMMUNICATION PRACTICES

James M. Lahiff and John D. Hatfield
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The business organization of the seventies reverberates from an onslaught of conflicting pressures. The organizational milieu, once relatively uncomplicated, is now beset by numerous forces bent on reshaping business policies and practices.

Employees demand more challenging work and greater flexibility, and employers respond by seeking to enrich jobs and by offering more flexible work scheduling. By threatening to boycott a company's products, consumer interest groups are able to bring about a change in pricing or marketing strategy. Through its ubiquitous agencies the government has reshaped many aspects of business operations which had heretofore been considered within the private purview of the business organization. The effects of such changes on the organization and its resultant effects on managerial functions have been widely chronicled.[1]

As an outgrowth of these pressures to adapt, many organizations appear to have realigned their communication priorities. Within the past year, for example, there have been frequent articles in business publications describing courses designed specifically to teach executives how to communicate more effectively with the public and the press. Such courses, furthermore, are intended to prepare the businessman to meet the growing barrage of anti-business criticism. As Harry Bridges, former president of

Shell Oil and an alumnus of such a course sees it, "This business of communicating has become as important as finding more oil."

There is little question that communication is a primary vehicle by which organizations adapt both internally and externally. President Carter's innovative telephone call-in program and his personal visits with "average" citizens are prime examples of the federal bureaucracy's attempt to enhance its public image through opening the lines of communication. How, then, have business organizations been using communication in adapting to the myriad legislative and social pressures confronting them? The survey reported here represents an attempt to answer this question.

PURPOSE OF THE STUDY

The purpose of this study was to determine what, if any, changes have occurred in the internal and external communication practices of business organizations during the last five years. Questionnaires were mailed to upperlevel managers in 500 randomly selected corporations across the U.S. Each questionnaire contained fifteen statements describing important communication policies and practices; the remaining eleven, internal. Respondents were asked to indicate how frequently these policies and practices were employed five years ago, then to report their frequency today.

One hundred eighty-eight completed questionnaires were returned from respondents representing a variety of organizations, among them general manufacturing, energy, chemical, textiles, banks, and insurance companies. A vast majority of these respondents sacrificed their anonymity by requesting copies of the survey results, thus indicating a significant degree of interest in the contents of the survey.

FINDINGS

Generally it is apparent in the minds of the executives who responded to the survey that significant changes have occurred during the past five years in the communication policies and practices within business organizations.

External Communication

One of the four external communication questionnaire items was designed to tap organizational concern for enhancing the organization's public image. Responses to this item are summarized in the bar graph in Figure 1, which shows the percentages of respondents expressing a low, medium, or high concern for improving the public image in their organization, both five years ago and today.

60% ▬▬▬ High ▬▬▬ 82%

26% ▬▬ Medium ▪ 9%

14% ▪ Low ▪ 9%
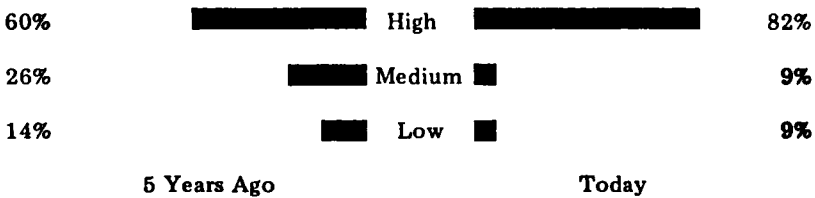
5 Years Ago   Today

Figure 1

Changes in Level of Concern for Public Image
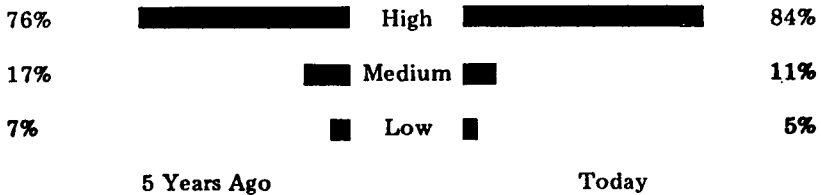From 5 Years Ago to Today

Obviously, public image was important five years ago, since 60 percent of the respondents indicated that it had a high priority in their organizations. The increased concern for public image over the last five years was equally evident in every industry subgroup. The banking subgroup, however, demonstrated the greatest current degree of concern, with fully 86 percent of respondents reporting a high level of concern for public image in their organizations.

If organizations are concerned about their public image, what are they doing to enhance it? The remaining three external communication items were intended to tap the frequency of specific communication practices that might indicate high concern: 1) receptiveness to communication from the public, 2) attempts to be truthful in communicating with the public, and 3) increased frequency of communication with the public through executives' delivering public speeches.

47%	▮▮▮▮ High ▮▮▮▮▮	70%
30%	▮▮▮ Medium ▮▮	16%
23%	▮▮ Low ▮▮	14%
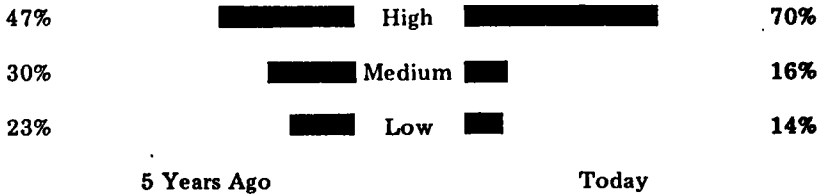
5 Years Ago   Today

Figure 2

**Changes in Receptivity to Communication
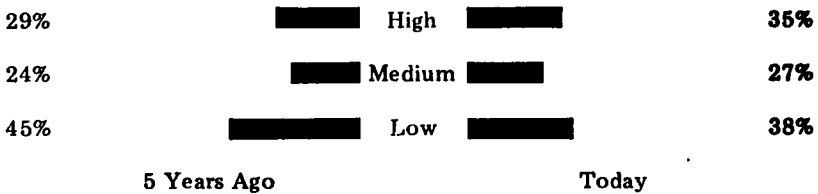From 5 Years Ago to Today**

Increases in receptiveness to public input are presented in the bar graph in Figure 2, which shows the percentages of respondents who indicated high, medium, and low emphasis in their organizations on facilitating communication from the public to the organization. Those percentages demonstrate a substantial increase in receptiveness across organizations. The banking subgroup again led the way, with 85 percent of the respondents reporting a high current emphasis on receptiveness to communication. Insurance companies followed closely, with 79 percent of their respondents reporting a currently high emphasis.

76%	▮▮▮▮▮▮ High ▮▮▮▮▮▮▮	84%
17%	▮▮ Medium ▮▮	11%
7%	▮ Low ▮	5%

5 Years Ago   Today

Figure 3

**Changes in Emphasis on Being Truthful in Communication
With the Public From 5 Years Ago to Today**

In terms of how truthful organizations attempt to be when communicating with the public, the percentages in Figure 3 show some degree of change over the past five years. What is most interesting, however, is that the percentages depict a signi-

ficantly high emphasis on truthful communication both five years ago and presently. Perhaps the 16 percent of organizations in the moderate and low groups explain whatever low credibility organizations now possess. It is interesting to note that in May, 1976, Daniel Yankelovich reported that the level of confidence in business has "hovered around 19 percent in the past few years."[2]

29%	High	35%
24%	Medium	27%
45%	Low	38%
5 Years Ago		Today

Figure 4

**Changes in Emphasis on Public Speeches
From 5 Years Ago to Today**

Increased contact with the public through speech-making was the last external communication item. Ostensibly, such a practice might be a useful public relations vehicle, exploding many of the myths (e.g., high profit margins) the general public has about business organizations and communicating the actual contributions business makes to the local community and to the economy in general. In a recent article Golden urged executives to overcome their "facelessness" by increasing their contacts with the public.[3] Steiner prescribes increased communication with constituent groups of the corporation as an antidote for the distrust of business currently harbored by the public.[4] Holmes recognizes a serious need for ". . . making managers materialize for the public eye . . ."[5] Unfortunately, the percentages in the Figure 4 bar graph indicate that while there is a slight 5-year trend toward emphasizing public speaking, organizations generally place only moderate value on this practice.

Internal Communication

The eleven internal communication items were divided into three groups: downward communication, upward communica-

tion, and communication "formats" (e.g., interviews, small group conferences, written vs. oral, etc.).

Downward Communication

The importance attached to effective downward communication is attested to by a recent survey by the Bureau of National Affairs in which it was shown that there were sixteen different techniques regularly employed by business organizations for downward communication.[6] Three questionnaire items tapped changes in downward communication practices: 1) communication of the organization's position on political issues, 2) communication of plans for the future, and 3) recognition and appreciation to employees. A fourth item examined employees' tendencies to accept the content of downward communication without question.

Generally, there was a fairly significant trend in all organizations toward greater emphasis on the three downward communication practices. Respondents from textile firms reported the greatest current emphasis on communicating political positions within their organizations, although only 13 percent of all respondents indicated a currently high degree of emphasis on this type of communication. In terms of communicating plans for the future, 45 percent of respondents reported a high emphasis now, as compared with only 25 percent five years ago. While only 38 percent of the responding organizations emphasized the expression of appreciation to employees five years ago, 55 percent reported a high emphasis today.

The most interesting downward communication finding, however, concerns employees' willingness to accept downward com-

59%	▬▬▬▬▬	High	▬▬▬▬	46%
27%	▬▬▬	Medium	▬▬▬▬	39%
14%	▬▬	Low	▬▬	15%
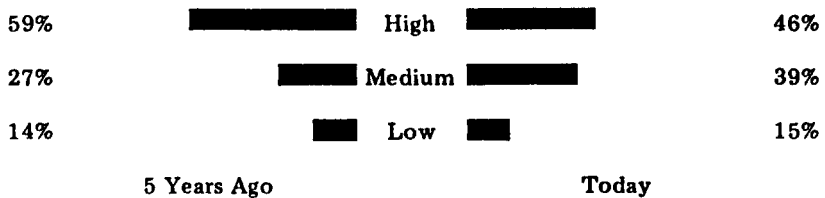
5 Years Ago   Today

Figure 5

**Changes in Employee Willingness to Accept
Downward Communication From 5 Years Ago to Today**

munication. Figure 5 presents the percentages of respondents indicating a high, medium, and low willingness among members of their organizations to unquestionably accept downward communication. Those percentages indicate a clear trend in the direction of skepticism. Organizations may be placing higher priority on downward communication, but employees appear generally more inclined to question the contents of management's communications.

Upward Communication

A much healthier overall trend appears in the area of upward communication. First, 53 percent of respondents reported that their organizations place a high priority on actively seeking new ideas from subordinates, as compared to 36 percent five years ago. Fifty-six percent indicated a currently high degree of willingness in upper management to listen to lower management on matters of comapny concern, as opposed to only 33 percent five years ago. Finally, there was a dramatic shift in the amount of freedom employees felt to "speak their minds," as shown in Figure 6. Such a change is indicative of an increasingly healthier internal communication climate in the organizations sampled.

29%	High	53%
37%	Medium	28%
34%	Low	19%

| 5 Years Ago | Today |
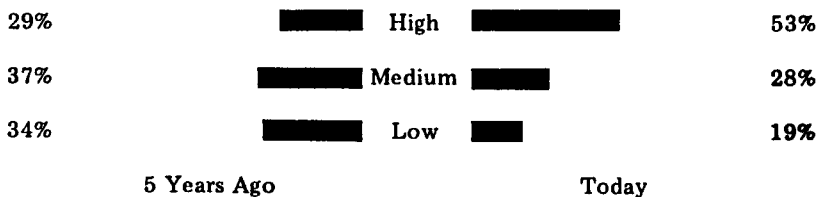
Figure 6

**Changes in Employees' Perceived Freedom
to "Speak Their Minds"**

## Communication Formats

Four questionnaire items dealt with communication formats. First, the employment interview strongly influenced selection decisions in 73 percent of respondents' organizations five years ago. This influence has increased to 84 percent today. With

the constantly increasing indictments of the interview's validity counterbalanced by the courts' distaste for testing for selection purposes, it will be interesting to examine its influence five years from now.

As Figure 7 demonstrates, there was a fairly significant trend in decision-making methods from individual to group decision-making. The percentages in the bar graph indicate changes in degree of emphasis on group, as opposed to individual, decision-making.

28%	�	High	emphasis	51%
34%	�	Medium	emphasis	25%
38%	�	Low	emphasis	24%

Five Years Ago   Today
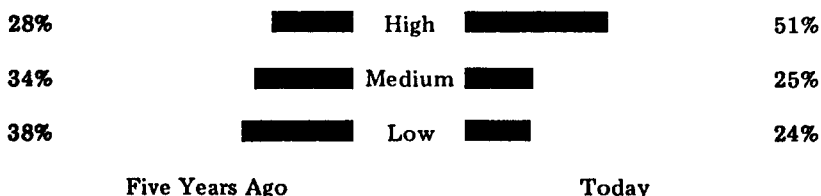
Figure 7

Changes in Emphasis on Group,
As Opposed to Individual, Decision-Making

In terms of relying primarily on written communication within the organization, our analysis revealed a slight trend in the direction of greater emphasis on the written format. Whereas 46 percent of the respondents reported a high emphasis on written communication five years ago, the percentage has increased to 54 percent today.

18%	High	38%
24%	Medium	25%
58%	Low	37%

Five Years Ago   Today
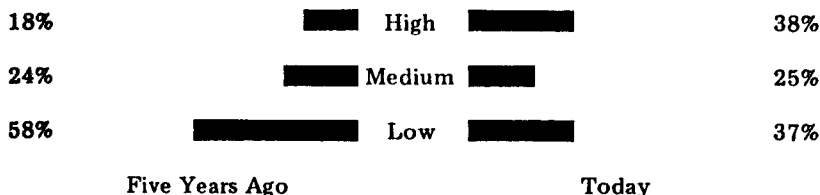
Figure 8

Changes in Availability of Communication
Training From 5 Years Ago to Today

The final item dealt with making communication training programs available to employees. Perhaps because communication is often viewed by contemporary writers as a universal cause of (and cure for) organizational problems, the pervasiveness of communication training is increasing. The percentages in the Figure 8 bar graph demonstrate a quite significant trend toward providing more communication training to employees.

CONCLUSIONS

During the past five years there have been significant changes in the communication policies and practices of business organizations.

In terms of external communication:

1. Organizations are much more concerned about enhancing their public image than they were five years ago.

2. This increased concern is evidenced in the organizations' greater receptiveness to communication from the public, in their growing emphasis upon truthfulness when communicating to the public, and in their slightly increased proclivity to open lines of communication with the public through public speeches by executives.

In terms of internal communication:

1. Organizations appear to be attempting to improve the downward flow of communication; however, employees are less willing to accept, without question, the contents of downward-directed information.

2. The flow of upward communication in organizations has seemed to improve markedly during the last five years. Organizations more actively seek new ideas from employees, they listen more closely to employees on matters of company concern, and there appears to be a dramatically increased willingness among employees to speak their minds.

3. There are trends which show changing emphasis on communication formats within organizations. The employment interview more strongly influences selection decision. Important decisions are made more frequently by groups rather than by individuals. Written communication is emphasized more and organizations are making available to employees substantially more communication training than before.

NOTES AND REFERENCES

1. For example, see David A. Aaker, and George S. Day, "Corporate Responses to Consumerism Pressures," *Harvard Business Review,* Vol. 50, No. 6, 1972, 114-124; Vernon M. Buehler and Y. K. Shetty, "Managerial Response to Social Responsibility Challenge," *Acadamy of Management Journal,* Vol, 19, No. 1, March, 1976, 66-78; Gilbert Burck, "The Hazards of Corporate Responsibility," *Fortune,* Vol. 87, No. 6, 1973, 114-117, 214, 216, 218; Henry Eilbirt and Robert Parket, "The Current Status of Social Responsibility," *Business Horizons,* Vol. 16, No. 4, 1973, 5-14; Joseph W. McGuire and John B. Parish "Status Report on a Profound Revolution," *California Management Review,* Vol. 13, No. 4, 1971, 79-86; Peter Paul Pekar, Jr., and Elmer H. Burack, "Management Control of Strategic Plans Through Adaptive Techniques," *Academy of Management Journal,* Vol. 19, No. 1, March, 1976, 79-97; James R. Terborg, Lawrence H. Peters, Daniel R. Ilgen, and Frank Smith, "Organizational and Personal Correlates of Attitudes Toward Women as Managers," *Academy of Management Journal,* Vol. 20, No. 1, March 1977, 89-100; Frederick E. Webster, Jr., "Does Business Misunderstand Consumerism?" *Harvard Business Review,* Vol, 51, No. 5, 1973, 89-97.

2. Daniel Yankelovich, Speech before the UCLA Graduate School of Management Board of Visitors and Dean's Council, Los Angeles, California, May 11, 1976, as quoted in John F. Steiner, "The Business Response to Public Distrust," *Business Horizons,* April, 1977, 74.

3. L.L.L. Golden, "Corporations Cannot Continue to Be Faceless," *Harvard Business Review,* September-October, 1975, 6-8.

4. John F. Steiner, "The Business Response to Public Distrust," *Business Horizons,* April, 1977, 74-81.

5. Sandra L. Holmes, "Executives Should Be Seen and Heard," *Business Horizons,* April, 1977, 5-8.

6. BNA Personnel Policies Forum, July, 1975, 2.