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Internal business communications: a three dimensional problem

Stuart Ray Long

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INTERNAL BUSINESS COMMUNICATIONS: A Three Dimensional Problem

A THESIS

PRESENTED TO

THE FACULTY OF THE GRADUATE SCHOOL

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Master of Science in Business Administration

by

Stuart Ray Long

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CHAPTER I

THE PROBLEM

WHAT IS COMMUNICATIONS?

Communications is first of all the exchange of ideas between two or more people. Thus we must recognize that it is a two-way relationship. There must be both give and take -- talking and listening. In order to be successful, however, every communication situation needs one further element. That element is understanding by both parties. Understanding is one ingredient that must never be taken for granted: What a man intends to communicate is not the determinant -- it is the interpretation by the receiver that determines the ultimate effectiveness of the communication.

What picture does the word COMMUNICATION bring to mind? Perhaps each of us has his own concept of the word, but in business COMMUNICATIONS is more than a word. It is an area of operations, an atmosphere, a set of attitudes, a way of life. It encompasses almost every interaction that people have with people. Talking, writing, listening, reading -- these are forms of communications -- "...communication can be a loud noise or silence. It can be sight or sound, a look or a wave. Sometimes the inaudible forms are more expressive in our personal experience than the more familiar written or spoken word"¹.

It is basic management theory that in business nothing is accomplished except by and through people. For a firm to function, instructions must be passed down by management and understood by those responsible

¹ Wardle, Harry C., Communications: Key to Understanding (Willow Grove, Pa.; National Office Management Association, 1954), p. 11.

for their execution. There must also be a feed-back of information to management as well as coordination of the actions of units and individuals on the same organizational level, for management seldom deals directly with operational materials or money or methods. It deals with these through people. It does not meet quotas, maintain schedules, reduce costs, nor improve quality and volume except through people. Thus communications is the errand boy between planning and action, between idea and execution, between product and customer.

WHY IS COMMUNICATIONS A PROBLEM IN THE HOME OFFICE OF LIFE OF VIRGINIA?

In its ninety-one years of operations, Life of Virginia's home office staff has grown from less than ten to more than 600 employees. In organizing to handle the growing enterprise, management resorted to a deeper vertical organization with a number of levels of management employees until "communication, like the water at the delta of a river, finds the channels complex and filled with sedimentation"².

With this growth came specialization. Soon there were departments responsible for the broad phases of the business, divisions handling segments of each departmental function, specialized sections within each division and even specialized units within many sections. Distinctive vocabularies, instructions, data and reports developed. This organizational development, while essential to complex business, proved destructive to the atmosphere of mutual understanding of jobs,

² Merrihue, Willard V., Managing by Communications (New York: McGraw-Hill Book Company, Inc., 1960), p. 6.

problems, and interests which had typified the smaller, and perhaps less efficient, organization. Perhaps because the condition developed so gradually, communications has only recently been recognized as a problem at Life of Virginia.

Today's developing concept of management exercised largely by persuasion rather than by command puts a great new premium on communications. The quality of planning and organizing is greatly affected by the quality and speed of information flowing downward, upward, and laterally. Likewise, to be successful, management must be assured that the results of such planning and organizing are made known, understood and acceptable to all parts of the enterprise through competently administered communications.³

Since Life of Virginia attempts to give its employees the greatest possible opportunity for advancement by promoting from within, many of its supervisory personnel have come up through the ranks. There is no formal supervisory or management training program, therefore, training is limited to what is learned on the job -- providing little instruction in the art of communications. Consequently, there is limited appreciation of the importance of communications at the first line supervisory level where it is essential. Although experience oriented training is good, it produces the best results when it is coupled with formal training. "With such a combination, the time saved will be almost incalculable. Moreover, it will prevent many errors

³ Ibid, p. 22

being compounded by 'trial-and-error' -- the hard way to learn.⁴

THE ROLE OF COMMUNICATIONS IN THE MANAGEMENT PROCESS

The traditional theory of management is usually expressed in terms of the functions which a manager performs. These functions include Planning, Organizing, Motivating, Coordinating, Controlling, Delegating, Evaluating, Directing, Supervising, etc.⁵ For simplicity, all of these functions are grouped under the main functions of Planning, Executing and Controlling.

Planning, as used in this paper, means: setting objectives, formulating strategy, and deciding among alternative investments or courses of action. This function is performed at all levels of management from the president to the first-line supervisor; however, the degree and the complexity of the planning varies with the level of management. "For upper management the function should be broad, creative, and long-run. For lower levels of management, the planning function tends to be short-run and more routine."⁶

Execution, for our purpose, covers the functions of Organizing, motivating, delegating, supervising, and directing. It encompasses the functions necessary to carry out the plan. Often it requires communications through several management levels and the coordination of line and staff functions.

⁴ Shortzburger, Martin L., "The Supervisor: Professional or Business Mechanic" Management of Personnel Quarterly, Vol. 1, No. 5 (Autumn-Winter 1962), p. 28.

⁵ House, Robert J. and McIntyre, John M., "Management Theory in Practice" Advanced Management, (October, 1961), p. 7.

⁶ Shortzburger, op. cit., p. 28.

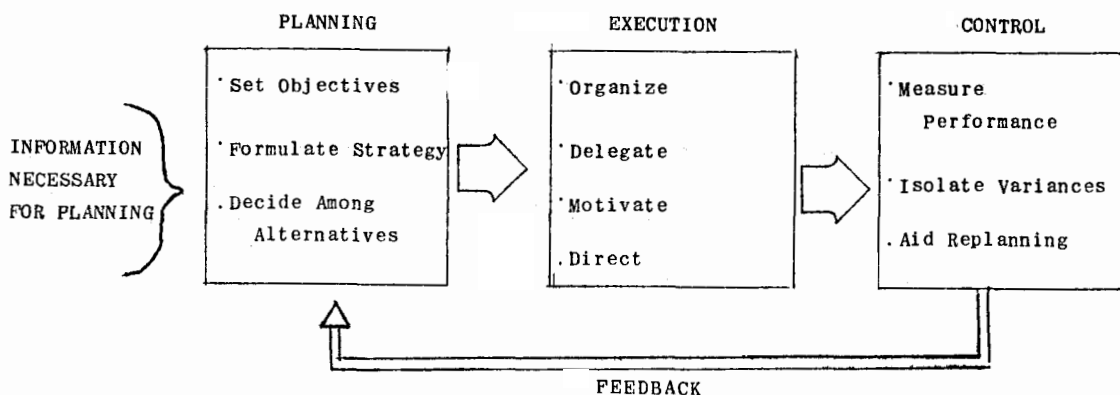
"Control is concerned with (1) standards, (2) report of achievement, (3) evaluation and (4) corrective action. In general, as the function moves down the organization, it tends to become more important numerically and more precise in nature (e.g., production, quality and cost control), whereas at upper levels the controls are fewer in number but more important (e.g. broad financial controls, market share, etc.)"⁷

The functions of planning, execution, and control are tied together by communications. The transition from one function to the next cannot be made without it. The management process depends upon communications for the following:

1. To supply the information necessary for making plans.
2. To place the plan in action by:
 - a. defining the plan
 - b. setting objectives
 - c. delegating responsibility and authority
 - d. motivating, supervising and directing personnel
 - e. coordinating action
3. To measure performance by comparing reports of performance with standards set in the planning stage.
4. To feed-back information necessary for corrective action and replanning.

⁷ Ibid

The illustration below shows the interdependence of the management process on communications.



Communications plays a large role in the process of management. Management has been defined as the vocation of achieving desired results through other people.⁸ Thus, the manager must be able to communicate clearly and to motivate people. He must be able to see the business as a whole and to integrate his function with it. He must, in other words, be able to obtain the responsible participation of other managers, of staff specialists, and of his subordinates. To accomplish these tasks and to perform as planner, executor, and controller he must depend heavily upon his abilities to communicate.

COMMUNICATIONS - A THREE-DIMENSIONAL PROBLEM

Three categories of communications have been mentioned. But are there really three separate and distinct problems? Isn't there such a close relationship between communications upward, downward, and laterally that they are welded together into a single problem -- a three-dimensional problem? By definition, it was stated that communications is not just a word but is an area of operations. Further, it is a

⁸ House, op. cit., p. 3

method of conduct and any campaign directed toward any one of the three dimensions of the problem will affect the other two. For example, the creation of an effective program for disseminating information and instructions from management is the first step in the establishment of a communications atmosphere. This atmosphere will also be conducive to the expression of employees' views, suggestions, criticisms, and needs to management, as well as coordinating the actions of units and individuals on the same organizational level.

This does not imply that a concentrated effort in any one area will automatically solve the problems of the other two areas, but such efforts will have a direct effect on all dimensions. For example, to achieve effective downward communications the first-line supervisor must first build a satisfactory relationship with each of his employees. He must be recognized as honest, sincere, considerate and trustworthy. Where such employee-supervisor relationships exist in a work group, downward communications is more effective because the communicator is highly regarded, respected and trusted. "Immediately his upward communications will improve markedly. This is true because good two-way communications is not so much a cause of high morale as it is a result of such a condition."⁹ Each employee feels free to discuss both work and personal problems with candor. In such an atmosphere of security employees do not burn up energy or waste time with inner anxieties and frustrations. They become free to release their creativity; they find it easier to function

⁹ Merrihue, op. cit., p. 195.

as a team.¹⁰

DIMENSION NUMBER ONE - DOWNWARD COMMUNICATIONS

No conversation is unimportant to an employee if it is with his "boss". No matter how casual the exchange may be, it should be remembered that it may be the highest spot -- or the lowest -- in the subordinate's day. "The successful executive is the one who is aware of his effect on other people, and is able to communicate to others his sincere interest in them as individuals. This is true at any level in the organization."¹¹

No matter how convincingly the manager supports an "open door" policy to his office, he must eventually recognize that there is no way of eliminating the employee-management class distinction. Informality, warmth, and frequent contact may produce an atmosphere of friendliness, but rarely in a face-to-face situation does a subordinate forget who's boss. This fact bears emphasis because it is the major cause of the difference in viewpoint which often acts as a block to communications.

Management wants employees to develop understanding and enthusiasm for the company and to identify themselves with it. To accomplish this management must think and speak in terms of what the employees want as well as what the company needs. If it learns to apply this policy effectively, its messages will reflect its concern for the

¹⁰ Ibid, p. 107.

¹¹ Balinsky, Benjamin and Ruth Burger, The Executive Interview A Bridge to People (New York: Harper & Brothers, 1959), p. 6.

Human relations needs of the employees. Employees need to be well informed if they are to understand, accept and cooperate with the purposes of the company. Fear of change, which is born of misinformation or lack of information, for example, undermines the feeling of security and morale of the employees. "Failure to be 'in on the know' is damaging to the employees' personal esteem and forces them to depend on the grapevine or gossip hounds for their information. Communication is essential for employee morale. Low productivity and low morale are birds of a feather."¹²

Facts to be communicated fall into two broad categories -- those the employee must be told and those he should be told. There are elementary facts that must be told in order to accomplish the job facts that directly and immediately affect the employee or his job. They include information pertaining to work assignments, work flow, methods of operation, pay, overtime, work rules and regulations, and job duties and responsibilities. Less obvious but just as essential are the facts that should be told. These are of direct interest to employees but are not essential to job performance. They relate to vacation and holiday policies, company services for employees, expected standards of personal conduct and general information about the company -- its organization, its history and development, its objectives, and plans for growth and expansion.

At work an employee wants to know how and where he stands, and how important he is to the organization. He may seek this information

¹² Wardle, op. cit., p. 24

in any of several forms -- compliments, extra privileges, or even in the form of extra work or responsibilities. For a working individual, the job and the company are the hub of his universe. Shop talk is not spoken just at the office. It is a topic of conversation between husband and wife, friends, party-goers, -- individuals in almost any type of social contact.

The communications problem between the Life of Virginia and its employees was pointed out vividly in 1958 when a consulting firm was brought in to establish work standards. No general announcement was made to the employees regarding the activities of the consulting engineers. As a result rumors flew, bitterness developed and confusion arose. Many employees did not understand how the study was to be made and worked feverishly, thinking they must do that to hold their jobs. The results -- some standards were incorrectly established, employees were transferred who should not have been, backlogs piled up and in many cases standards had to be re-calculated and employees returned to previous assignments.

One of the principal deterrents to good downward communications is the sheer size and scope of modern business operations. Key personnel at the various levels are busy individuals whose desks easily become bottlenecks of communications by virtue of the variety and magnitude of the tasks placed upon them. Conventional organizational channels become so long that communications either bog down along the way or are diluted by the time they reach their destination. To overcome this barrier there must be a planned management communications program designed to supply information in a concise easily under-

stood form. Such a program would eliminate the unnecessary papers from crossing the busy executive's desk and would channel information directly to those who need it.

Some blockage of communications downward may also be attributable to sifting at various points along the line of command. Supervisors may fail to circulate information through sheer force of inertia, lack of time, or most often -- failure to understand the need for communicating. They may weed out some because it seems irrelevant to their peculiar situation, or they may deem it advisable to stop circulation at their station for reasons of security or strategy¹³ sometimes a necessary practice, but nevertheless one which impairs full communications.

Downward communications is the backbone of a business enterprise. Successful day-to-day operations are impossible without it.

DIMENSION NUMBER TWO - UPWARD COMMUNICATION

It is important that the worker understand management's problems and needs. But it is equally important for management to understand the worker's problems and needs -- the pressures brought upon the worker by the increasing cost of living; the deep-seated hunger for recognition; the resentments built up by real or imagined unfair treatment; the desire to feel he is a member and not merely a servant of the enterprise.

¹³ Pfiffner, John M., The Supervision of Personnel (Englewood Cliff, N.J.: Prentice-Hall, Inc., 1958), p. 154.

People in all phases of business need to feel free to talk to their superiors and to know they will be met by sincere understanding. But too many supervisors -- although they announce that their doors are always open -- fail to listen effectively and their subordinates, in the face of this failure, have little incentive to make the effort to communicate. The effect of this can only be that subordinates will withdraw from their supervisors and cease to bring up important problems that should be aired for both parties' benefit.¹⁴

An employee wants to be able to go into his superior's office, speak frankly and receive straightforward answers. This is true not only of clerical employees but management personnel as well. For example, one of the young men in Life of Virginia's middle-management group made this statement about a year after being promoted into a new department: "One thing about this job, I am always walk into the boss' office and say what is on my mind. When I come out I know where I stand -- I may not always like it but at least I know where I stand. That is something I never had in all those years in my other job."

The necessary placing of employees in superior and subordinate relationships in the organizational structure inherently discourages the free flow of information, ideas, suggestions, and questions. It is axiomatic that the subordinate tends to tell his supervisor what interests the latter while refraining from discussing what the

¹⁴ Nichols, Ralph G. and Leonard A. Stevens, "Listening to People", Harvard Business Review, Vol. 35, No. 5 (September-October 1957), p. 90.

supervisor doesn't wish to hear. He tends also to cover up problems and mistakes which reflect on him.¹⁵ He freely tells the boss those things which will enhance his position and demonstrate his success in meeting the problems of the day. This creates distortion in the upward flow of communications which ultimately must be matched by distortion in the downward flow of instructions and information from the supervisor.

A factor often overlooked at every level is that each subordinate has a responsibility to his superior to keep him informed. A subordinate should never permit his boss to be surprised. Regardless of the employee's position -- clerk or executive -- the boss has a right to know what he is doing in regard to his assigned or delegated duties. Not tale-bearing, not office gossip and rumors, but what the employee is doing, how he is doing it, and what he is planning to do. Most subordinates want to keep their supervisors informed, but unless an employee finds his boss sincerely interested he will seldom approach him with any information other than what he knows the boss wants to hear.

It follows then that any effective attack on the barriers to communications must deal with the task of lessening the inhibiting effect of the subordinate-supervisor relationship. An "atmosphere of approval" for communications must be developed to such a degree

¹⁵ Richards, Max D. and William A. Nielander (Editors), Readings in Management (Cincinnati, Ohio: South-Western Publishing Company, 1958), p. 112.

that the parties will mutually welcome suggestions, admit problems and accept criticism. Unless this atmosphere can be developed and maintained, effective upward communications is impossible.

DIMENSION NUMBER THREE - LATERAL COMMUNICATIONS

Often overlooked in a business enterprise is the vital need for better channels of lateral communications. Despite the great interdependence of the various functions, horizontal communications in most companies is atrocious.¹⁶ Some of the most persistent and acute problems of administration stem from deficiencies in lateral communications. As a result, employees in various functions erect elaborate grapevines to compensate for the lack of formal channels between functions and between positions at the same level. These channels are mothered by necessity because the workers themselves want to get the work done properly. They recognize that they can't properly perform their duties without communicating directly with the people whose work is related to theirs. In doing so they also realize that such channels are not official and hence, may even feel guilty about using them.

Language itself can be a barrier to effective communications. "The minds of speaker and hearer meet when they agree on the same referent. If the hearer finds no referent or selects a referent different from that of the speaker, their minds do not meet."¹⁷ The listener's

¹⁶ Merrihue, op. cit., p. 159.

¹⁷ Chase, Stuart, The Tyranny of Words (New York, New York: Harcourt, Brace and Co., 1938), p. 177.

understanding is governed not only by the words he hears but also by the experiences to which he relates them. "Debit" to the accountant means the left-hand side of an account; to the weekly premium insurance salesman it means the amount of premium he is responsible for collecting. Mathematical symbols have an extensional meaning to the actuary but to the untrained they are meaningless. This lack of a common referent is responsible for much misunderstanding in business communications. This is especially true in communications between departments or between line and staff since each often has its own connotation of certain words.

If coordination is to be achieved, it is important that there be adequate communication along the work flow. People whose jobs are related must be able to work out their relationships themselves and not depend exclusively on orders flowing from some central point above. It would be unthinkable, for instance, that the President of Life of Virginia should have to personally coordinate the activities of the Policyowners Service Division and the Accounting Department -- yet he is the lowest ranking officer responsible for both functions. It is similarly impracticable that the managers or assistant managers of these departments should personally supervise the many interactions involved when they should be handled by the lower units concerned.

The close relationship between the three dimensions of communications should not be forgotten because conflicts between horizontal and vertical communications are an ever-present possibility. Information flowing horizontally and decisions made at lower levels may at any time disrupt the central planning and coordination. The cure depends

on individuals having sufficient understanding of over-all operations and problems of the company to know which decisions they can safely make at their respective levels and which must be referred upward if disruption is not to occur somewhere else.

Of great concern to management should be the misunderstanding, jealousies, lack of coordination, and wasteful internal rivalries caused by faulty lateral communications. The Biblical Tower of Babel is perhaps the most outstanding example of what can happen when there is a breakdown in communications between people who are working together on a common problem. When these people could no longer communicate they became suspicious and thought each other insane, so they were unable to work together and each went his own way -- and the Tower was never completed. Modern business does not go to this extreme but suspicions and jealousies are often caused by misunderstanding of the other person's or other section's responsibilities, practices, viewpoints, goals, and plans.

Cooperation may not possess the same compelling natural incentive as competition; yet man has a strong desire to belong to a group and to maintain a continuous and close association with other people. Most men are willing to work together when they can see that it is for a common cause. These tendencies toward cooperation can be cultivated and directed into productive channels.

Management can be welded into a single-minded group -- a team -- when its members know and understand its objectives, when each has confidence in the other, when each can see that working with others

will promote the achievements of the organization and thereby his own individual success and security. When this atmosphere prevails personal conflicts -- stubbornness, bickering, standing up for "rights", and jealous guarding of prerogatives -- give way to a willingness to consider the other fellow's ideas, to see his viewpoints, and to compromise with him to attain group achievement instead of individual glory.

Cooperation among supervisors is extremely important where the work moves from one department to another and the organization does not permit a common line superior who is empowered to enforce compliance with rules and schedules. A supervisor's effectiveness in such a situation depends upon the departments that precede his in the order of operations and upon the departments that render service to his. Therefore, he is, in a sense, responsible for exacting from those departments correct completion and timely delivery of the work, and the very nature of this relationship can easily lead to conflict. To overcome this obstacle management must create an atmosphere that crosses departmental lines in promoting cordial good feeling, a cooperative spirit, and willingness to understand one another's problems.

This atmosphere of cooperation is the immediate result of effective lateral communication; yet in the absence of both effective downward communication to introduce these concepts of harmony and unity, and upward communication to advise management of the progress of their acceptance, such an atmosphere cannot be created.

CHAPTER II

The Effects of Poor Communications

Many of Management's problems are traceable to failures in communications. Someone neglects to tell the purchasing agent that a larger supply of a certain form will be needed in conjunction with a sales campaign; a promising junior executive accepts an attractive offer from a competitor because his boss gave him no indication how his work was appreciated; a department head's report goes unread because his superior wanted only a brief summary of the problem.

The cost of ineffective communication of this sort is beyond calculation -- not only in terms of time and money but in misunderstanding, inefficiency and hostility. To exercise authority, communications is essential. The same is true of leadership. But whereas failure in authority and leadership result in rebellion, failure in communications results in excessive expenses and poor decisions, actions and performance.

"It behooves a firm to devote a great deal of attention to communications. One reason is that most companies probably spend more money and more hours on communications -- and get less from it per dollar spent -- than on any other single activity."¹⁸ The visible expenditures tell only a part of the story. Failures in communications result in wrong decisions which may turn out to be more costly than the tangible communications expense shown by the profit and loss statement. Occasionally, essential information never reaches the decision maker or reaches

¹⁸ Jones, Manley Howe, Executive Decision Making (Homewood, Ill.: Richard D. Irwin, Inc., 1957), p. 174.

him too late. Moreover, men are frequently given erroneous facts as a result either of misunderstanding of what information was needed or deliberate misrepresentation. The costs of these wrong decisions are very real ones. A company constantly plagued by such decisions will almost inevitably lose sales volume and operate under the handicaps of abnormally high expenses.

Professors Alex Bavelas and Dermot Barrett draw the following significant analogy in depicting the role of communications in a business:¹⁹

It is entirely possible to view an organization as an elaborate system for gathering, evaluating, recombining, and disseminating information.

It is not surprising, in these terms, that the effectiveness of an organization with respect to the achievement of its goals should be so closely related to its effectiveness in handling information. In an enterprise whose success hinges upon the coordination of the efforts of all its members, the managers depend completely upon the quality, the amount, and the rate at which relevant information reaches them. The rest of the organization, in turn, depends upon the efficiency with which the managers can deal with this information and reach conclusions and decisions.

This line of reasoning leads us to the belief that communication is not a secondary or derived aspect of organization -- a "helper" of the other and presumably more basic function. Rather, it is the essence of organized activity and is the basic process out of which all other functions derive. The goals an organization selects, the methods it applies, the effectiveness with which it improves its own procedures -- all these hinge upon the quality and the availability of the information in the system.

Taking this thought a step further, if the enterprise is to be successful, management must induce all members of the organization to give freely and fully of their human energy, mental and physical.

¹⁹ Bavelas, Alex and Dermot Barrett, "An Experimental Approach to Organizational Communications", Personnel, March 1951, p. 368.

Raw human energy is a very unusual force. Each of us is the master of the rate at which we release our share of it. Imagine for a moment that there is a valve that controls that rate. It can be opened slightly to free only enough human energy to get by on the job and keep from being fired. Or the valve can be opened wide to let mental and physical energy rush forth for maximum productivity.

The reasons for withholding energy are not usually physical. They are the result of fallacious or distorted beliefs and concepts that bring about negative attitudes.

There are some misconceptions to be corrected for maximum release of human energy.

First, there is the old idea that stockholders get all the cream while workers get the skim milk. There is little understanding of the meaning and importance of such vital terms as risk, capital, depreciation, plow-back and of how jobs are really created.

A common belief, too, is that the boss tries to hold people down; that he doesn't want to see them advance. These and similar beliefs combine to create in the minds of many employees resentful feelings of persecution and injury.²⁰

There is also a fear of working oneself right out of the job, if one does too good a job. Many people are afraid that, if they achieve a high level of output in response to an emergency, this then will

²⁰ Livingstone, J.S. "Employee Attitudes and Productivity", American Management Association, Management Report No. 63 (1961) p. 14.

become the daily work requirement -- a standard which they feel would be impossible to maintain over a long period.

There is the usual resistance to change in accustomed procedures. We all feel it; we prefer to cling to the status quo, the habitual, the familiar.

And then there is the conviction on the part of many workers that management is both neglectful and fallible. An employee says, "Look at this typewriter! How can I get any speed out of this thing? I have been after them for two years to get me an electric one, and what happens? Nothing." Or a supervisor complains, "When they moved that wall back I tried to get them to repaint the whole room a different color but they didn't do it. If I can't even get new paint, what can I expect to achieve?"

The results of a survey conducted by the University of Michigan at Detroit Edison Co., may suggest the close relationship between communications and absenteeism. Here is what the findings show:²¹

1. Supervisors who "talk over" job and personal problems with their workers reported fewer absences.
2. Employees with good attendance records are more enthusiastic about their work; like to be kept informed on how they are doing.
3. Employees who can be made to feel they are a part of a team are seldom absent.

Too many employees come to work with negative attitudes -- lacking

²¹ Bureau of Business Practice, Office Executives Bulletin (Englewood Cliff, N.J.: Prentice-Hall, Inc., 1962), Report No. 148, p. 7.

confidence in management, misinformed on management's motives, policies and practices, feeling that their interests and those of management are in constant conflict. Under the stresses and strains of the job, these differences become acutely magnified. Cooperation breaks down and productive effort suffers.

Such an attitude is a serious block to achieving the company's goals. There is a job to be done. It is largely a job of supplanting incorrect beliefs with truth, and to do this there must be effective communications.

COMMUNICATIONS AND LABOR UNIONS

Considerable credit for the change taking place in businessmen's attitude toward internal communications can be given to the union movement. Union officials are highly successful communicators. Labor leaders today too often out-communicate management in strategy, in timing, and in volume. They award scholarships and fellowships to enable their members to match training with that of management. They employ top-flight professional talent and send members to university-conducted summer schools to improve the influence of their communications.²² Day in and day out they communicate in terms of "you". It is you and your union, you and your pocketbook, you and your family, you and your right to work.

Fortunately, management has begun to learn this principle from the unions (who in many instances run away with public sympathy when a

²² Merrihue, op. cit., p. 11.

strike is imminent or in progress) and is beginning to communicate in terms of the specific self-interest of the employee. It is beginning to emphasize the you -- how you can succeed in the office or plant, how you can advance yourself, how you can protect your job security. With this approach management is beginning to reach the employee, to guide the employee's thinking on economics, to build the attitude needed to turn out the kind of job management wants. "Yet employee attitude surveys disturbingly reveal that one of management's poorest skills is its ability to interpret its good intentions, its goals (and their values to everyone), in a timely and meaningful manner..."²³

Perhaps one reason unions are able to organize a company is the lack of mutual understanding between the company and its employees. The employees feel that management is indifferent to them and their welfare, therefore, they must bring in a strong third party for protection. The following excerpts from a letter written to the editors of "The Saturday Evening Post"²⁴ by union member Harry Wildman helps to explain this feeling.

Most employee-employer friction is caused less by demands for higher pay than by this feeling of isolation and rejection. We realize that it is impossible for a company president to make himself available to each and every worker. Yet, we don't think it is unreasonable to expect representatives of management to accept us as craftsmen and give us recognition for a job well done -- at any rate when such credit is deserved.

After two years of exploring the possibility of improving relations between business executives and their labor forces, I came to the conclusion that no organization can help us. Some kind of direct contact between management's top brass

²³ Ibid, p. 13.

²⁴ Sherrod, Robert (Editor), "Aside From More Money, The Workers Want 'Status' and a Few Kind Words," The Saturday Evening Post, Vol. 234, No. 15 (April 15, 1961) p. 10.

and the workers must be set up if the heartbeat of both is to be felt by this nation.

One way to do this could be the assignment of a representative of the company president to the factory. He should be a trusted friend of labor who could contact his superior's office and get an honest answer to any question affecting the workers. The workers, on their part, would assume that he represented the management, but would be frank in presenting their views.

To test my theory I consulted more than a hundred of my fellow workers and explained the idea as well as I could. With two exceptions the men agreed with my new concept of labor relations. However, despite their enthusiasm, all voiced the same gloomy prediction: "The company president doesn't care a damn about us, and he'd certainly never consider it".

Thus challenged, I made a sustained effort to gain audience with our company president. After six months, persistence finally won me an interview, not with the president but with a vice president.

I explained my plan and he listened attentively. Then came his answer: "How naive can you be to imagine that management would even consider any plan to make itself accessible to the workers? The president is making multimillion-dollar decisions every day. He has only one responsibility -- to earn a profit for the corporation. The few dollars saved by appeasing the workers is infinitesimal. Our profit report speaks for itself."

This interview demonstrated, to me at any rate, what most workers believe -- that management has no interest in hourly workers and leaves them to be pacified by the labor union! We workers would feel better about cooperation with management if we could be given more evidence that the vice president who turned me down was the exception rather than the rule.

Undoubtedly this letter describes the unusual rather than the usual management attitude. Yet this attitude is probably present to some extent in most business enterprises. It is just this type of anti-communications attitude that drives the employees into the arms of union organizers, for the workers want not only to be informed, but to be satisfied.

No degree of pessimism would support a conclusion that Life of Virginia's home office is being threatened with unionization. On the other hand, it

would show an excess of optimism for management to completely discount the possibility. It has happened to other life insurance companies and the president of one of these companies gave faulty communications as the reason his employees joined a union "...in fact, the Northwestern Mutual has a home office union today because some ... employees in the late '30's could not get answers they must have and meant to have."²⁵

If Life of Virginia's home office is ever unionized it will probably come about by a union's organizing specialized employees such as data processing machine operators, keypunchers, or print shop employees. These employees lend themselves to unions better than general clerical workers because of the repetitive, routine work they perform. Regardless of how it takes place, the results will be the same: even if only a few employees become union members, the entire home office takes on many of the attributes of a unionized company.

It therefore behooves management to take all possible action to give its employees information and satisfaction. This must be an established policy -- a standard day-to-day practice. It will be too late to begin such a program when a union threatens because the union organizers can use this as ammunition by saying: "See already we have given you something you never had before".

EFFECT ON MORALE

Morale in a business organization is an attitude of emotional readiness

²⁵ Robinson, P. K., "Maintaining Lines of Communication Between Management and Clerical Staff", Annual Proceedings Life Office Management Association, 1953, p. 66.

which enables the worker to turn out more and better work without increase in fatigue.²⁶ It causes him to enter enthusiastically into the activities and endeavors of the group with which he works. It makes him less susceptible to outside influences, especially those which base their appeal on the premise that management's sole interest in him is to get all it can and give as little as possible in return.

George D. Halsey gives eight conditions that must be introduced into the work situation if there is to be a climate favorable to the development of good morale.²⁷ (See Exhibit A)

An examination of these elements, reveals a close relationship between office morale and communications. For example, the maintenance of high morale requires that management express to the worker its conviction that his job is essential to the objectives of the company and that it has confidence in his particular abilities. Furthermore an employee cannot feel that there is an opportunity for advancement unless he and his supervisor are able to reach an understanding -- they must be able to discuss the employee's strong points and his weaknesses. Every worker has his goal and needs the help and encouragement of his superiors in reaching it.

Management often places a barricade in the road to high morale by not taking action on an employee's proposal -- or at least keeping him

²⁶ Halsey, George D., Supervising People (New York: Harper & Brothers Publishers, 1953), p. 219.

²⁷ Ibid, p. 217

informed of its status. Take the case of a staff specialist at Life of Virginia. This young man saw a need for certain controls and submitted a proposal to a division head pointing out this need along with a recommendation for action. The division head agreed with the proposal, but because he felt it required consideration by higher management, he referred it up the chain of command. More than four months have passed since then but the staff specialist has received no official word from management, although by way of the grapevine he did hear that his proposal was well received and would be accepted. He realizes that the management men who must consider his recommendation have limited time and must make many important decisions; yet he feels the subject of his proposal is also important and finds it difficult if not impossible to keep management's silence from affecting his morale. And if this is the reaction of a reasonably well informed member of middle management, what must be the effect on the morale of a clerical employee in similar circumstances?

IDENTIFICATION OF THE INDIVIDUAL WITH THE COMPANY

Self-identification with the company is essential to high morale which in turn is essential to top performance. There must also be proper methods and high standards, but top performance cannot be achieved without high morale. Equally important the individual cannot realize the ultimate satisfaction from his work unless his morale ↔ his attitudes ↔ are sound and constructive.

In a small business, it may not be a problem to create self-identification with the enterprise. The larger the enterprise, the more routinized the function. The further removed the employee is from the chief executive and his associates, the more difficult it is to achieve self-identification.

It becomes even more difficult in the home office of a life insurance company, where the bulk of the employees are young girls who are not basically career-minded. Marriage is their chief interest in life; and with marriage comes pregnancy -- with pregnancy comes turn-over. And, of course, this makes it even more difficult to create an atmosphere which encourages these youngsters to identify themselves with their company -- difficult, but not impossible. The key to it lies in knowledge -- knowledge of the corporation's aims and objectives, the methods by which it seeks to achieve them, the principles and philosophy which govern its operation. But also there must be knowledge and understanding of the individuals, their wants, desires, and motivations. In a small business the communication of this knowledge may occur haphazardly, almost by accident, because of proximity. In a large business it must be planned and programmed. Specific techniques must be used, but this in no way lessens the sincerity of the motives for effective communications -- which are simply to help each person recognize his importance to the company, and his identification with its success.

Companies that keep the employee fully informed about his financial stake in a successful business are only following good employee relations practices. But the company that presumes no deeper employee interests is underselling him -- further it is not telling him what he wants to know. Evidence supporting this statement is available from the Armco Steel Corporation, Middletown, Ohio, in the form of employee opinions derived from a survey of several thousand Armco men and women.²⁸

²⁸ Malatesta, William (Editor), "Armco Study of Employee Information Wants Exposes Potential Pitfall for Communicators", Explaining Your Business ... News Bulletin, Vol. 12, No. 3 (March 1961), p. 1.

In the survey, employees were asked what they wanted Armco to "tell it's people more about". The results follow:

1. Opportunities for advancement, 50%
2. Company products, 35.6%
3. Safety, 32.7%
4. New equipment and how it helps Armco people, 30.9%
5. Simple economics, 30.9%
6. Expansion and construction, 28.9%
7. Employee benefits, 28.5%
8. Wages and working conditions, 25.5%

Further light is cast on employee wants by the much publicized study in which employees of 24 different companies were asked to rate the following ten items in accordance with their importance to them individually. Note the degree to which the supervisors misjudged the things that count most with employees.²⁹

Job Element	Employees' Rating	Supervisors' Rating
Appreciation of work done	1	8
Feeling "in" on things (full information)	2	10
Help on personal problems	3	9
Job security	4	2
Good wages	5	1
Interesting work (belief in importance of job)	6	5
Promotion	7	3
Management loyalty to workers	8	6
Good working conditions	9	4
Tactful disciplining	10	7

Although the supervisors must daily play a dual role of "superior" and "subordinate", they were unable to project themselves into the role of their own employees. In a study made at North American Aviation, Inc., it was found that in the role of superior and subordinate the supervisor was two different people. For example, each supervisor was extremely interested in knowing how he stood with his boss, whether he was progressing

²⁹ Merrihue, op. cit., p. 42.

satisfactorily, and what was in the future for him. However, when the subject was switched to the supervisor's subordinates, his reaction was one of seeing all, hearing all, and knowing all. He described his subordinates as generally happy, satisfied people, who knew where they stood and what was expected of them.³⁰

Knowing and understanding the other person's point of view -- his needs, his problems, his emotional hungers -- is the only dependable foundation on which to build high morale and employee identification with the company.

If employees receive interesting information freely, a democratic atmosphere is created. If information is withheld, they become suspicious, emotional and uncompromising. This latter condition leads to dissatisfaction and animosities toward supervisors and fellow employees.

No company can achieve adequate performance by its people, unless its executives are committed to the proposition that their personnel are people -- entitled to be listened to, trusted and understood as associates in a common undertaking. They must believe in the integrity of the individual and his innate desire to do his job well. They must create opportunity for the individual to develop his maximum capacities and realize his greatest potential. They must stimulate each individual to exercise his initiative, his imagination, his sense of responsibility, his will to work, and his pride in being identified with the company.

PRECONDITIONING EMPLOYEES FOR PROCEDURE OR PERSONNEL CHANGES

Embedded in each individual is a certain degree of resistance to change.

³⁰ House, op. cit., p. 6.

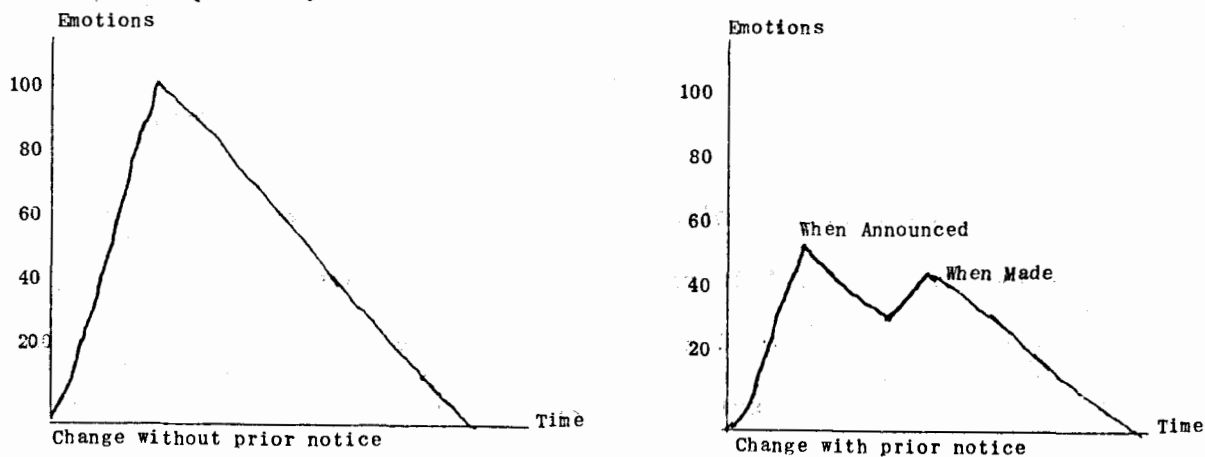
The degree of this resistance varies, of course, but it is present in all of us. Why is it that we sit at the same place at the dinner table each night or follow the same route to work each day? It is simply habit. The fact that we form habits causes us to resist change because change necessitates discarding old habits and forming new ones.

All managers sooner or later come to realize that their employees will resist change even when the change will benefit the employees. For example, a few months ago a Life of Virginia methods analyst discovered that one of the clerks had submitted a suggestion through the Suggestion System for revising a form used in her unit. Unfortunately the suggestion was declined because she had not submitted a workable revision. By making a few minor changes the methods analyst was able to make the form work as the employee had originally intended. He referred the suggestion back to the Suggestion Committee who agreed to make an award to the suggestor for the original idea. The methods analyst was amazed to find the original suggestor -- who would benefit from the improved efficiency as well as receive a cash award -- resisting change. She did not want to adopt her own idea!

Timing is important in any procedure change if the change is to be made with the least possible disruption of production. Timing is equally important in communicating procedure or personnel changes to the affected employee. The employee should be told of the proposed change as soon as it is possible. It is even better if employees are allowed to participate in establishing the new procedure. This develops mutual confidence, stimulates better individual and group work, and

taps the vast latent personal resources hidden by the absence of such a spirit.

The very nature of personnel changes, however, precludes normal employee participation. In these cases it is wise to announce these changes as soon as the move has been definitely decided upon. There are two reasons for an early announcement -- to disseminate the official "word" before the news is spread and distorted by the grapevine, and to allow all of the employees time to become accustomed to the idea before the change is affected. If a graph were made of employee emotions when a change is made with and without prior notice it would probably look like this:



When the change was made without prior notice, the employees' emotional level reached a very high peak. However, when the change is announced ahead of time an emotional peak is reached which is lower than the peak reached without prior notice because the change is not being made until some future date and is, thus, not as upsetting. Then when the change is made another peak is reached but this peak is limited because the employees are expecting the change and have had an opportunity to adjust to the idea.

Looking at the same idea from another point of view, the change without prior notice caused the emotional level to reach a peak to which we have assigned a value of 100. The highest of the two peaks reached when prior notice was given was only 50 or half as high as the peak without notice. Thus, the average level of emotional reaction with prior notice is 25 as compared to an average of 50 without prior notice.

When prior notice of a change is given, there are two mild emotional explosions rather than one large explosion as occurs without prior notice. As a result, it is much easier to control the employees during the two low peaks than during the one high peak. As a friend said, "It is better to have the people 'half mad' twice than 'whole mad' once".

Even a basic understanding of the psychological factors and the proper planning and timing of the change will not prevent serious repercussions if the communications plan is overlooked or mishandled. Therefore, any manager seeking to avoid these repercussions will do well to ask one simple, highly motivating question when the preliminary plans for the change are presented to him. It is this: "What is your plan for creating an atmosphere of acceptance by the personnel involved, and what is the plan for communicating the change to them?"

Employees can be pre-conditioned for changes only when management considers the effect of changes on its personnel -- only when they are told why. "When you tell people why you are doing certain things, that's evidence of respect. When people see that they are so highly regarded by the man they work for, their sense of importance is touched

and their attention is aroused in the direction of the one who shows them this consideration and gives them special regard, because it is a highly satisfying experience, and it's normal for you and me to reciprocate when people treat us as we want to be treated."³¹

Making a change without preparing employees is like a farmer scattering seed without first preparing the ground.

PRUNING THE GRAPEVINE

The effectiveness of face-to-face oral communications is nowhere more evident than in the way information and misinformation travel through the "grapevine". Every organization has such informal channels. They carry their messages both vertically and horizontally. They transmit rumor, forecasts, predictions, scandal, explanation and some pure fiction.

Although the grapevine is a very useful communications tool in many instances such as testing reactions to an idea, passing along information which cannot be officially released, and gathering information from employees; it must be controlled. If allowed to grow wild, it can undermine the entire communications system.

Unfortunately the grapevine encourages embellishment and addition. It appeals to the imagination and to the creative ability of storytellers. As a result, what comes out may only slightly resemble what goes in.

Many employees regard the grapevine as a personal and reliable source of current information. Because this information often reaches the

³¹ Aspley, John C. (Editor), The Handbook of Employee Relations (Chicago: The Dartnell Corporation, 1955), pp.932.

employee before the official word, it usually has a more lasting effect. As a result misunderstandings are fostered which may be damaging to morale throughout the company. Even though the information concerns a benefit to the employee, the facts can be distorted by the grapevine so as to cause animosity toward the benefit. Even though the correct facts are established later, a certain amount of irreparable damage may well have been done; therefore, the grapevine is actually a detriment rather than an asset to the employee as well as to the company.

Why do grapevines exist? Simply because people want to be in-the-know. Students of rumor control suggest the following techniques for pruning the grapevine:³²

1. Listen to what your employees and subordinates really think.
2. Make yourself available to answer questions of your subordinates.
3. Establish a rumor clinic (a committee to serve as a clearing house for unofficial reports about the organization).
4. Get news of important decisions or changes affecting the organization to the supervisory staff as soon as possible.
5. Use the informal leaders of important groups in your organization to "tease out" how they will interpret a major change in procedures, personnel or work methods.
6. Explain your intentions. The groups will draw their own inferences if you do not.
7. Use a public address system, bulletin boards or flyers to get urgent stuff into the hands of employees.

Communications specialist William A. Orme, Jr., at General Electric's Providence, Rhode Island plant, has developed a method of getting the company's message out -- almost as fast as the grapevine.

³² Guerin, Quentin W., "How to Cut Back the Office Grapevine", The Office, July 1961, p. 77.

"When employees need to know about policy changes, executive visits, the truth behind rumors, etc., he tells them -- in about two and a half hours from the time he's gotten the message himself." In an emergency, he can cut the time to one hour.

"Mr. Orme's equipment includes his own enthusiasm, plus a typewriter, a Xerox machine for developing multilith plates, a multilith press and paper. With these he composes and prints his news sheets, then has them distributed to 14 'out' baskets set up in strategic locations around the plant. There is no special day for these bulletins -- so employees are always on the lookout for a new issue.

His annual budget? Two hundred dollars for an average of 80,000 copies".³³

The effects of poor communications in business are many and varied. Many of management's problems may be traced to an ineffective communications program. Communications plays a vital role in establishing and maintaining a good employee-management relationship. It is an important tool of human relations. But communications like a doctor's prescription must be used skillfully and must be designed to treat the patient's ills. However, it must be remembered that communications is not a wonder drug that can be injected into a firm to cure all problems. It is not a miracle worker which will keep cost down, morale up, unions out, and the grapevine dormant. Rather than a cure-all, communications is a tool -- a vaccine -- which helps build the company's resistance to these things.

³³ Bureau of Business Practice, Office Executives Bulletin (Englewood Cliff, N.J.; Prentice-Hall, Inc., 1962), Report No. 150, p. 8.

CHAPTER III

UPPER AND MIDDLE MANAGEMENT'S ROLE IN COMMUNICATION

Management's first task in establishing a communications program is to face up to the fact that there is a communications problem. From the president of the company down to the messenger, from the divisional sales vice-president to the man out selling, communication of ideas is probably the most important single factor contributing to the success of the enterprise. Yet how many executives can honestly say that their technique in getting their ideas across is as effective as their system for conceiving them? How many managers can be sure that their instructions are being carried out as intended?

Since presidents, vice-presidents, and managers are paid handsome salaries based primarily on their capacity for decision and thought, doesn't it make sense to install a system designed to put their ideas into use? It is obvious no idea can be better than its translation and no instruction can be better than its interpretation by the individual charged with taking the action specified.

There is evidence that Life of Virginia is beginning to recognize the importance of communications. Two recent incidents point to this conclusion:

The first is an example of communications within the management group. Life of Virginia has on order a large electronic computer which will have a profound effect on most divisions within the company. For this reason management planned an all-day seminar and invited management members of the affected divisions. An expert was brought

in to explain how the computer operated and the Electronics Division manager described the work applications being programmed for the computer. The seminar was handled very informally and questions and comments were encouraged. Management was so pleased with the results of this meeting and the spirit of cooperativeness present, that it plans to expand the program to include additional members of the management team and to delve further into computer applications.

The second example is one of communicating directly with home office employees. On the occasion of reaching three billion dollars of insurance in force management planned an elaborate advertising program with eye-catching newspaper ads. In addition a plan was formulated to encourage participation by home office employees and to notify them of this achievement before the public was informed. About 9:30 on the morning before the advertising program was to be launched the president spoke to the employees over the central intercom system. He told them of the company's achievement, thanked them for the roles they had played in it and announced that the office would close early that afternoon (this was a big boost to morale) and that they would receive a small memento of the occasion as they left the office. Female employees were given a corsage and male employees a ball point pen but each also received a scroll containing a preprint of the newspaper ad and a button showing the advertising slogan. This gave the employees something to tell and show their friends and relatives -- they had information even the newspapers did not have.

Nevertheless, it is still true that many executives do not understand

what communications is and what it can do. They under-estimate its power, its importance and its complexity. These executives do not appreciate the fact that communications is at the heart of all business operations, that it is management's most important tool for getting things done, and the basis for understanding, for cooperation, and for action.³⁴

Too few executives realize that in addition to passing information down the line, they must strive to get the ideas and opinions of lower levels of management up the line. While most management people expect their subordinates to keep them informed, they fail to realize that unless an executive makes a special effort he will not hear all that he should from his subordinates. It is just as important to work constantly to get information flowing upward as it is to get it flowing in the other direction.

Failure to listen can be a serious deterrent to upward communications. For example, a man whose superior has a habit of asking for an opinion and then interrupting to attack it before it is expressed fully may soon become reluctant to express an opinion.

A similar obstacle is a superior's aloofness. An executive's door must be open in fact as well as in theory. Two keys are needed to unlock this door -- a willingness to discuss a situation frankly and sympathetically, and a willingness to be influenced in making a decision. A subordinate's frankness is to a large extent within his superior's

³⁴ Richards and Nielander, op. cit., p. 103

control. A willingness to consider any viewpoint no matter how much it differs from his own will gain for an executive the free expression of his subordinate's thoughts -- but this willingness must be consistently displayed both in manner and in method. Unless an active approach of this kind is taken, subordinates may fall victim to the habit of telling the superior only those things they think he wants to hear.

COMMUNICATIONS WITHIN THE MANAGEMENT GROUP

The general tendency has been to say, "Let's improve employee communications; management can take care of itself". Employees far outnumber managers and communications programs are understandably focused primarily on this group, but these conditions do not justify the neglect of management communications.³⁵ There are good reasons why management communications deserve emphasis:

First, management communications is a prerequisite to worker communications. Management cannot communicate to the workers unless management itself is informed. Top management often fails to recognize this simple fact. For example, a manager cannot explain a new procedure or a change in the company retirement plan to his employees unless he understands it himself. Just as a clear picture cannot be made from a fuzzy negative, the manager cannot transmit information any more clearly than that he received.

Management communication is also essential for executives to make

³⁵ Ibid., p. 119

proper judgments and decisions. The executive's decision-making function is largely dependent upon his ability to develop adequate channels of communications to and from his office. This alone should convince management that its own communications patterns need continuous analysis and appraisal.

Another reason for emphasizing management communications is the scope of a manager's influence. Inadequate communications to a single executive may have a direct affect on profit, production, or morale, because his wide span of control and coordination affects many people and varied functions. Inadequate information to a worker seldom affects more than a few jobs but poor information to a manager may affect a hundred.

Management communications deserves emphasis also because most of the links in the chain from bottom to top and from top to bottom are in the management group. A communication from a worker to top management, for example, may go through five persons, and each of these links in the chain is within the management group. Each offers opportunity for distortion, deletion, and delay. Each executive in the chain has an opportunity to filter information, passing on only what he thinks is important or what he thinks the receiver wants to hear. Thus the problems of communications, measured in terms of links in the communications chain, fall mostly within the management group.

Finally, management communications is important because managers are also employees and thus have the same need for communications and understanding as any other employee. An executive who is not "in

the know" may lose both the incentive to improve and the ability to make wise decisions. His attitude may well be "If I'm not told what's going on around here, I'm not responsible for what happens. If others won't cooperate with me, why should I cooperate with them?"³⁶

The executive group is not so very different from the employee group in many respects. For example, suppose there are five department heads reporting to the president of a company. One day four of these department heads receive large mahogany desks to replace their old ones, comfortable leather chairs, and deluxe water pitchers for their offices. After waiting for his new equipment, the fifth executive finally realizes that he is being left out. If he doesn't get a satisfactory explanation -- and soon -- he is going to be upset completely out of proportion to the worth of these items. He has a right to expect to be treated like his colleagues -- and if he is not, the efficiency of the organization is going to be affected by the defensive behavior he displays.

THE GRAPEVINE IN MANAGEMENT

"The grapevine is typically considered to apply to workers. Observation, confirmed by research, indicates that it is just as active among management."³⁷

Psychologists conducted a study in a firm which had approximately 70 executives. The grapevine was found to transmit news mostly about

³⁶ Ibid., p. 120

³⁷ Ibid., p. 125

company affairs -- some news was vital for the executives to know, some was merely gossip or rumor. Seven of the executives spread the news, 50 heard it but kept it to themselves, the remainder heard nothing.³⁸

An integral part of the management grapevine system is the clique structure, built around common ties such as skills, professions, social standing, or schools attended. The clique can wreck or distort a well designed plan or innovation. When new procedures, rules, or policies are discussed and interpreted by the clique, they can be distorted so drastically that it is often hard to recognize the original.

Another vital link in the management grapevine is the office politician. He is a man who knows how to get the most from the grapevine -- he knows how to pick up bits of information and gossip; how to utilize the cliques. He derives his sense of power from his alliances with power figures -- individuals, important internal cliques and friendships. His friends convey information, bring prestige, reflect status, bestow favors which he must return to stay on top. Superior information gives him a means of control and influence. He needs the grapevine to maintain his artificial status.

Since the grapevine is active and significant within the management group it deserves management's attention. Present-day research indicates that the grapevine is a significant component of a firm's

³⁸ Guerin, op. cit., p. 74

management communications network. It should be given early attention in a company's communications program.³⁹

Risk-taking Communications

"An essential quality of leadership is courage; a moral boldness which readily assumes the burden and risks of decisions, together with the courage to stand on what may be an unpopular and lonely spot, once the decision has been made. Moral conviction supplies moral courage. It is a special sort of quality; it entails the courage to say, when the chips are down, 'I did it; I was responsible'."⁴⁰

Too many executives believe that to take a stand on a controversial issue involves a risk that they cannot afford to assume. The most glaring fallacy of this alibi is the false assumption that there is no risk in keeping quiet. On the contrary, the greatest risk of all may be silence. There is no such thing as a communications vacuum. If management doesn't supply information anti-business spokesmen or the grapevine will.

Shakespeare said, "The nature of bad news infects the teller". This may account for management's reluctance to issue a statement when it involves bad news. It is so easy to delay announcing a distasteful procedural or personnel change until the change is actually made; but this course invites the grapevine to take over, encourages distortion of the facts (and more important distortion of the reasons for the change), implies that management really doesn't care about

³⁹ Richards and Nielander, op. cit., p. 126

⁴⁰ Dodds, Harold W., The Journal of Communications, Vol. 7, No. 2 (Summer 1957), p. 73.

the employees' feelings, and opens the door just a little wider for union organizers. By its silence, management condemns its own motives.

In an effective organization the most important communications may be lateral. It encompasses all of the coordination and teamwork of the departments and of line and staff. This is the area of communications that links the organization together and causes it to operate as an entity rather than separate functions. In lateral communications there must be a minimum of secrecy. If information affects the company, it is the business of all management personnel.

Setting an Example

Management has a clear responsibility to create and perpetuate a climate of teamwork and cooperation. This must be done by setting a personal example in communicating freely so that the employees know "what is going on" and have a feeling of participation in management's problems, which become their own. Encouragement of teamwork must consist of more than a memorandum issued by an executive, or an oral pronouncement which is given lip service but not really believed by management. People soon sense what management really thinks.

"Communications must reflect the everyday policies and practices of management. The important word here is 'practices'. In the long run, employees are influenced not by what management says but by what it does. It is the context of behavior that gives words their meaning. Employees are not fooled when the boss says good morning or asks about an ailing wife because the manual tells him that this is good human relations. The boss who levels with his people, who listens to

their problems, who is genuinely interested in them, can exercise effective leadership even though he may forget sometimes to say good morning. It is useless for an executive to announce an 'open-door' policy if employees do not feel comfortable once they go through the door. The manager who tells a foreman that he is interested in his problems but ignores his requests for help or information is, in effect, really telling the foreman that he is not interested in him."⁴¹

The habit of looking over a problem to see who is involved will yield big dividends in good will and improved morale as well as in technical results. Possible sources of friction should be anticipated and handled with special care. The executive should encourage this cooperative spirit in his subordinates by setting a personal example. Much ill feeling between departments will be avoided if the executive trains his subordinates to think of the effect their actions will have on others. When a matter is brought to him for decision, he can encourage this habit by saying, "Have you talked this over with Tom Henderson? It seems to me this change will affect his department." His subordinates will soon assume the attitude displayed by their boss.

The following case reported by the American Management Association serves as an example of what takes place when there is no clear cut definition of authority and responsibility. Notice how this affects the entire organization.

⁴¹ Merrihue, op. cit., p. 110.

A firm with five operating divisions and managed by four top executives had a steady decline in profits during the past several years under the impact of rising costs. Although sales levels remained constant, they were not high enough to counter the increased expense of doing business.

One of the big problems the company faced in streamlining operations was friction among the four managers. Each was jealous of his prerogatives -- and feelings ran strong enough to prevent the four from sitting down for an objective appraisal of weaknesses in their management.

Spurred by the need to get profits back on an upward swing, however, two of the four did manage to shelve some of their differences and spend a week-end together away from the office in an attempt to find solutions to the company's difficulties.

They didn't actually solve any problems, but they were able to pinpoint some of the major deficiencies in their firm's management policies. First of all, they agreed that neither they nor the other two managers had ever clearly defined each other's responsibilities in the organization. They also agreed that the resulting overlap of authority caused considerable duplication of effort -- and that the conflicting instructions continually being passed down to lower levels of management were causing no little confusion.

As the discussion continued, each admitted that he often hesitated to put his own decisions into action for fear of the negative

attitudes he might expect from his colleagues. Each also recognized that downward communications throughout the entire organization was poor -- that most of the middle managers were working in a strained, non-participative atmosphere -- and that people at all levels found it extremely difficult to get firm decisions from the top.

This week-end meeting marked the beginning of a positive program to correct the company's managerial weaknesses. For the first time in recent years the four managers were able to sit down together in an atmosphere in which their true feelings about company activities were brought out into the open. Decisions were made to correct the obvious defects.

Later other meetings were held where the objectives were to speed up decision-making, improve communications with lower levels, and to find ways to stimulate productivity among middle-management and first-line supervisors. To do this, they held a series of meetings with the staffs of each of the company's five divisions. No agenda was set for the meetings: the executives' primary role was to listen while others expressed their feelings and ideas.

One interesting sidelight developed. A middle management team which the managers had openly labeled as inefficient had accepted the indictment with apparent apathy, but shortly after the non-directive sessions with the four managers, this group examined its own work in a more searching light. The members suddenly decided that they had some incentive for digging out the reasons for their inefficiency. Soon they were able to plan and successfully carry out steps which

brought about substantial gains in efficiency and productivity.

The over-all result of top management's new attitude is vastly improved understanding among the four managers and among all other employee levels in the company. People throughout the organization -- once reticent -- are now anxious to make positive contributions. They are putting out more real effort, not only in making decisions but in carrying them out.⁴²

It was Emerson who said, "What you are thunders so loud, I can't hear what you say". What counts, in the final analysis, is not what people are told but what they accept. It is management's task to ensure that people at all levels of the organization "accept" the proper interpretations of its motives, objectives, plans, and instructions. Both by word and by deed management must extend its leadership through communications.

Management Reports

"Organization structure and information requirements are inextricably linked. In order to translate a statement of his duties into action, an executive must receive and use information. Information in this case is not just the accounting system and the forms and reports it produces. It includes all the data and intelligence -- financial and non-financial -- that are really needed to plan, operate, and control a particular enterprise."⁴³ While time and money seldom

⁴² American Management Association, "Communications in Action", Executive Action Course, Vol. 7, Nos. 1 and 2 (July-August 1962), p. 1.

⁴³ Daniel, D. Ronald, "Management Information Crisis", Harvard Business Review, Vol. 39, No. 5 (September-October 1961), p. 112.

allow the executive the luxury of all the information needed, sound decisions demand the intelligent use of available facts. The intelligent use of available facts, in turn, requires a program designed to disseminate information to those who need it. Not only does an executive need to receive all of the pertinent information but he also needs to be relieved of the burden of digesting reams of irrelevant information.

Each level of management has its peculiar information needs. The use that each executive will make of the information dictates the form of the report as well as its contents. Operating statements for the chief executive, for example, should give him a continuous picture of what is happening. However, many practices which are perfectly correct in preparing annual reports may prove to be misleading in monthly control statements. For instance, the cancelling out of one item by another should never be adopted -- all items of income and expense must invariably be shown, as otherwise there is serious danger that the president may be misled, not in the final result, but in the circumstances which led to that result.

Mr. R. P. Woodson III, chief executive officer of Occidental Life of North Carolina labeled this flood of irrelevant and improperly prepared information as "Management Report Paralysis".⁴⁴ (Exhibit B describes his information needs, as head of an insurance company.) He seeks the overall picture -- sales by major divisions, unit costs by product line, and company profit. As long as these items appear to be in

⁴⁴ Woodson III, R. P., presented to the Southern Planning Committee, Life Office Management Association, June 1962.

line he is not interested in details. The details are the responsibility of lower levels of management -- the lower the level the more specialized and detailed the executives information requirements become.

"The cornerstone for building a compact, useful management information system is the determination of each executive's information needs. This requires a clear grasp of the individual's role in the organization -- his responsibilities, his authorities, and his relationships with other executives."⁴⁵

Establishing the Communications Policy

Even a well planned program of communications can be defeated if the aims and objectives of the program are not clearly defined. It is axiomatic that the attitude of top management toward subordinate personnel is the chief determinant of the quality of relationships that prevail within the organization. An example must be set which will establish management's attitude toward communications.

"It may be stating the obvious to say that a clear communication policy is a fundamental of good communications, but the content of the policy may not be so obvious. Business executives who are concerned with formulation of a good communication policy are faced with problems such as these. Should we adopt a policy that all matters affecting employee relations should be fully and freely explained? Will we be better off telling employees just the good news, and doctor up or cover up the bad news? Are we going to duck any issues, such as union negotiation?

⁴⁵ Daniels, op. cit., p. 113.

Or shall we lock horns with anyone, such as union, government, the community, if we know we are right?

"Anyone who has had to develop a set of policies knows that it takes courage to develop a fair policy on communications, but it saves a lot of grief in the long run. Sound communication policies are fundamental to effective communication."⁴⁶

The role of upper and middle management in communications is one of leadership and example setting. It is one of controlling the grapevine, of establishing an effective management information system, of facing the communications problem squarely and courageously, and of establishing a realistic communications policy. This role demands courage, patience, and understanding.

Communications is not an end in itself. There is no profit in communicating just for the sake of communicating. Communications is a means -- one of the most effective means -- for the solution of managerial problems and for the attainment of managerial objectives.

⁴⁶ Earl, Elmer W., Jr., "Fundamentals of Communication", Management Record, (September 1954), p. 3.

system. He has one foot in management and one foot in the rank-and-file. And all too often the supervisor is not trained or even reasonably qualified to handle this exacting spot in the communications program.⁴⁷

It is the author's opinion that Life of Virginia's first-line supervisory level is the weakest link in the management group. Some of the blame for this condition might be placed on the supervisors for not taking the initiative in self improvement, but the primary responsibility rests on the shoulders of upper management. The company must accept the responsibility for not meeting squarely the challenge by developing a training program and adequate selection techniques for supervisory personnel.

Too often in the past a clerk has been promoted to a supervisory position as a reward for being a good clerk and for long service rather than on leadership capabilities. How often has this scene taken place in the office of a division manager? "Mary, Mrs. Jones is retiring next month and we want you to take over her job as supervisor. You have done a good job and you know the work, so you won't have any trouble." Mary becomes a supervisor -- she knows the work, but very little about supervising so she begins handling all of the difficult work personally and leaves the routine work to her clerks. In effect she becomes a senior clerk -- not a supervisor.

Since the supervisors have not been trained as leaders, many do not appreciate the important part communications plays in their business

⁴⁷ Ibid, p. 4.

life and consequently do not give it sufficient attention. They fail to realize that they occupy key positions -- that they must communicate with the workers, keep their superior informed, and coordinate the work of their units with that of other units on the same level. They do not recognize that they are responsible for all three dimensions of communications.

Added to the problem is the fact that many supervisors are too busy "getting the work out" to communicate. Sometimes this is just an alibi offered by supervisors who lack leadership abilities, other times the company has overburdened the supervisor with detail work which distracts him from his primary function -- supervision. Regardless of the reason, the supervisor's constant attention to work volume and schedules leaves him little time for communicating and improving his communications techniques.

The Supervisor's Communications Needs

It is especially important to see that the supervisor gets consistent and continuous training to sharpen his communications skills. Skill in communications spans areas such as the ability to express ideas clearly, the ability to lead discussions and give simple, clear, and concise instructions, the ability to ask intelligent, searching questions that stimulate and encourage thinking and performance.

The successful leader also must master the skill of listening not only to what is said but what lies behind the words. Patient listening not only enables the supervisor to know his employees better but also allows them to gain confidence in their supervisor.

The successful supervisor needs to know how to give praise and how to handle the unpleasant but necessary task of discipline. He should give praise readily, show appreciation for good work, and see to it that constructive ideas receive proper recognition. He should know that recognition, when it is deserved, tends to raise the standards of his people -- that next time they will try to match or surpass their previous performance. But the supervisor should also know that discipline, when deserved, is equally essential. Disciplinary action, if handled properly and coupled with justice, will result in higher output. "He's tough but he's fair, and I know where I stand with him", is a common evaluation of such a supervisor.

The General Electric Company periodically tests its supervisors to determine how best to help them discharge their communications responsibilities.⁴⁸ Exhibit C is an abstract of an interview with one foreman which shows an exceptional grasp of the problems.

Building Communications into the Supervisor's Job

The limited knowledge most supervisors possess about operations other than their own indicates a deficiency in incoming communications. Consequently, it is not surprising that they in turn prove to be poor communicators to others. One method of filling this information void and at the same time promoting cooperation and understanding among supervisors is to have regularly scheduled departmental supervisors' meetings.

⁴⁸ Merrihue, op. cit., p. 120.

Stated simply, the purposes of such meetings are to improve the knowledge of the individual supervisors, to stimulate teamwork, to permit greater participation and the exchange of information among supervisors.

Where the weekly meeting is an established routine, the supervisors will store up their give-and-take communications items, except in real emergencies, secure in the knowledge that these can be handled more effectively at the next meeting -- and often with the benefit of group consideration.

These weekly meetings are also time savers because they free the manager from the necessity of many individual meetings with his subordinates. This also saves the time the supervisor would spend trying to get in to see his busy boss.

Immediately after the supervisors meet with the manager, each supervisor should hold a meeting with his subordinates. This meeting will provide an opportunity to share information, to obtain employees ideas and opinions and to talk over the section's problems.

The supervisors of Northwestern Mutual Life Insurance Company have taken this idea a step further and formed the Home Office Supervisors' Association. This organization has as its purpose, "to stimulate cooperation and good fellowship; to make available through periodic meetings and discussion groups the combined experience of the individual members; to furnish an additional means of acquiring facts relating to Company policies and practices and to promote the best interest of the Company". As evidenced by this excerpt from the by-laws, the very purpose of this association is to promote communications and thereby enhance understanding of problems important to supervisors and their jobs.

Summaries of the meetings of the association are sent to all participants and a copy is sent to the company's office committee. When questions involving company policies are raised, the office committee issues an official reply and sends a copy to each member of the association.⁴⁹

The supervisors and the company are equally aware of the importance of the role they play in Northwestern Mutual's operations.

Good supervision is crucial, for it can materially affect the company's efforts in building an effective communications program. Informed judgment must be exercised in the selection of supervisors, adequate human relations training must be offered, and rigorous appraisal of supervisory ability and performance must be continuously maintained.

The course of action is clear. The first-line supervisor is indeed a key to effective communications, but he will be effective only if management is willing to accord him the status, the authority, the personal security, the time, the facilities, the assistance, the incentive, and the information necessary to exercise his key role.

⁴⁹ Robinson, op. cit., p. 67.

CHAPTER V

A PROPOSED PROGRAM OF ACTION FOR LIFE OF VIRGINIA

This recommended course of action is designed to help management establish a communications system which not only is mechanically efficient but which also produces an atmosphere of understanding throughout the company. It is not intended as a one-time solution to be installed and forgotten -- it will require continuous attention.

The first prerequisites for solving any problem, of course, is admit-
ting its existence; and there is evidence that members of Life of Virginia's top management not only realize that there is a communications problem but wish to initiate corrective action.

Establishing a communications policy

Once the decision has been made to take positive steps towards improving communications, management should draw up a formal communications policy.

The following is suggested.

1. The success of Life of Virginia is greatly dependent on teamwork at all levels and between all functions. This teamwork will be in direct ratio to the quality of communications.

Effectively communicating with each employee, makes him feel more secure in his job, more interested in his work, more loyal and more productive.

By developing better listening habits and freeing the channels of upward communications, the company will be able to determine how its policies are accepted, to locate and correct potential problems, and receive valuable suggestions for increasing the profitability of the enterprise.

2. Each manager and non-managerial employee will be continuously informed, through the most appropriate media, of the objectives, and progress of the company, the department, and particularly of the employee's own group.

The company will also undertake to share information of interest and importance with its employees so that they may make their maximum contribution to the enterprise.

Each manager will be expected to develop effective channels of communication with all other appropriate managers and especially to assure the adequate lateral communications essential to good teamwork. Each employee will be given the maximum opportunity to express his opinions without prejudice. It is incumbent upon each manager at each level to make sure that communications from employees are passed upward undiluted.

3. Each manager has the responsibility and authority to implement both the spirit and letter of this policy.
4. The director of personnel is responsible for counseling line management in the effective methods of applying this policy and of continuously evaluating the results of its application for the president. He is⁵⁰ also responsible for the preparation of detail procedures.

Appointing a staff communications specialist

In a company with as many employees and as many specialized divisions as Life of Virginia, it is important to centralize the responsibility for directing the communications program. This function should be delegated by the president to a staff specialist who would in no way relieve the managers of their line responsibilities, but would complement them in a staff capacity on a company-wide basis. He would report to the director of public relations and would coordinate employee and public information releases.

This specialist should attend all major planning and policy meetings to determine which items are of interest to the employees and what information can and should be passed along to them. He should see that employees are informed promptly through the media best suited for the particular

⁵⁰ Merrihue, op. cit., p. 154.

information. He should establish procedures that will enable him to distribute important information quickly when the occasion demands. He will be the key to controlling the grapevine. He is responsible for seeing that the employees receive current and authentic information before they receive a distorted version. He is further responsible for establishing a forum, such as a column in a company publication, for answering questions and killing rumors. He must be constantly aware that employees who are kept informed have no need for the grapevine.

The communications specialist should also serve as an advisor to all levels of management. He should help keep all management employees -- from the president to the first-line supervisor -- communications-minded, and he should be readily available for consultation on communications problems.

One of the most important elements of the staff specialist's job is ensuring that all management personnel learn of decisions and changes before the rank-and-file employees. To accomplish this he must establish a system -- such as a management news letter -- for distributing this information. Such a system will help to coordinate company-wide activities, weld management into an efficient team, and build employee respect for the first-line supervisor.

He must keep abreast of ever-changing communications needs and make appropriate changes. He must also keep top management informed of these changes and of the overall effectiveness of the program.

Needless to say, this is a position of responsibility which will require tact, enthusiasm, and resourcefulness, in addition to technical knowledge

of the subject. Job specifications are suggested in Exhibit D.

Putting the communications program into effect

An effective communications program must start at the top of the organization and flow downward. Top management must set the scene by demonstrating its belief -- by actual practice -- in the importance of communications. To accomplish this a series of regularly scheduled meetings of the various levels of the organization should be established. The following schedule is suggested:

1. Weekly

- A. Each Wednesday afternoon at two o'clock the president will meet with department heads and appropriate senior vice presidents to discuss major company problems, top-level administrative actions, and company policy matters and to receive reports on progress.
- B. On Thursday afternoon at two o'clock, each senior vice president should meet with his immediate subordinates. At this meeting relevant information obtained at the vice presidents' conference should be explained. This meeting will also serve as an opportunity to discuss mutual problems, share information and report on departmental progress.
- C. Similar meetings should be held by successive levels of management until the rank-and-file employees meet with the first-line supervisor.

2. Monthly

- A. The second Tuesday of each month the president should meet with all company officers at a luncheon meeting in the company dining room. In this meeting, plans and objectives should be reviewed and subjects of general interest discussed.
- B. All company middle management personnel should meet shortly after with one of the company's top executives at a similar luncheon. The object of this meeting is the same as the officer's meeting and the chairmanship should be rotated among the top executives -- including the president.
- C. A similar meeting should be held for first line supervisors.

3. Annually

On or about January the twentieth all management employees should gather in an afternoon meeting at one of the local hotels. The purpose of this conference is to bring supervisors into the management team, to review progress in achieving company goals, to share information, to encourage cooperation, and to motivate everyone to improve his performance. See Exhibit E for a sample agenda.

On the surface it may appear that this program of scheduled meetings will waste a great deal of productive time. However, if these meetings are planned and conducted properly they can be time savers. For example, picture a division manager with five supervisors reporting to him. If he does not have a regularly scheduled meeting each week, he will probably have at least four conferences, of about twenty minutes duration

with each of his supervisors. This means he spends about seven and a half hours each week in conference with his subordinates. Added to this of course is the time of the supervisors and the time lost by the manager and the supervisors due to interruptions by the unplanned meetings. On the other hand, if the supervisors become accustomed to meeting with their superior at a set time they will store up their questions (except for emergencies) until the meeting. Further, since many of the problems the manager must solve center around coordination of the several functions under his control he will be able to handle them more quickly because the supervisor of each function will be present. Also the group meeting will keep each supervisor informed of the other's action and thus eliminate duplicate discussions. A well-run meeting will in fact release several hours to be used in productive work.

Bringing first-line supervisors into the management group

One major purpose of this suggested program of meetings is to make first-line supervisors feel they are members of management; but the meetings are only the first step. The supervisors must be taught to think in management terms and to act as junior executives rather than senior clerks.

Before this training is started, however, each supervisor's job should be carefully reviewed to determine whether or not it is actually one of supervision. If so, it should be further examined to determine that the supervisor is not overburdened with detail work that impairs his major function -- supervision. Further, each supervisor should be evaluated to determine his adequacy for acquiring the fundamentals of directing

and working with subordinates, of communicating company policies and decisions, and for participating in the solution of management problems. This study should be made by the job evaluation committee.

This investigation may well uncover several jobs that are classified as supervisory but which are in fact only clerical and it may also reveal several supervisors who are not qualified for their positions. The necessary reorganization may prove a distasteful task, but management must face the problem squarely and take firm action -- not an easy assignment but one which is essential before an effective supervisory force can be built.

The remaining supervisors should then be given an intensive course in the art of supervision. Emphasis must be placed on leadership techniques and the philosophy of communications. Special attention should be placed on the prominent role communications plays in the supervisory function. This program will be more effective if it is conducted by someone not associated with the company such as a professor from the University of Richmond.

Training the first line supervisor in these techniques will help him appreciate communications as an important management function. The supervisor and the employees will both benefit because effective communications changes the attitude and actions not only of the receiver but of the transmitter. If the supervisors are taught and motivated to communicate freely and sincerely, they will not be the same supervisors tomorrow they are today. The more effectively they communicate, the more effective will be their supervision.

Selection of those to be trained as future supervisors should be made carefully on the basis of leadership potential and previous performance. This selection process should give consideration to the following:

1. Supervisory potential rather than technical proficiency.
2. Leadership potential rather than seniority.
3. Experience within the organization, but without giving it undue weight.
4. Breadth of experience.
5. Breadth of educational preparation.

The short-run solution to improving the first line-supervisory force is training. The long-run solution is proper selection followed by proper training.⁵¹

Keeping management informed

The key to a dynamic and useful management information system -- and this system includes the first-line supervisor -- is to move beyond the limits of conventional accounting reports and to develop information of specific interest and value to each manager's job. If Life of Virginia is to have a comprehensive system of information to assist its management personnel, it must make a broad study of management information needs. The quantity and type of data will naturally vary with the field of operations and the rank of the manager, the objective being to give to each adequate information but to avoid burying him under an avalanche of irrelevant data.

⁵¹ Shortzburger, op. cit., pp. 29-30.

For these reasons, it is recommended that such a study be made of Life of Virginia's management information needs by the Methods Research Division and that procedures be established to supply this vital data. This must necessarily be a complex task, but if it is pursued diligently the results will be most rewarding. Many hours of management time can be saved by eliminating unnecessary paperwork, furnishing full information and assembling it in the most usable form.

Summary

1. Establish and publish a communications policy.
2. Establish the position of communications specialist to coordinate and perpetuate the communications program.
3. Schedule regular meetings to disseminate information, discuss mutual problems and weld management into a more effective team.
4. Bring first-line supervisors into the management group.
 - a. Review all supervisory jobs and make necessary changes.
 - b. Establish a formal supervisory training program.
 - c. Review supervisory selection procedure.
 - d. Include first-line supervisors in management meetings.
5. Study management's information needs and establish a procedure for supplying it.

In summary, it may be said that management must communicate and be communicated to. It must create an atmosphere that encourages the free flow of information in three directions -- upward, downward, and laterally. Improvement in communications depends not so much on lavish investment in mass media as the daily working relations

between superior and subordinate and between individuals and groups of equal rank.

Communications is a dynamic field -- a company cannot afford to allow its communications program to become static. As an accomplished musician must practice to maintain his skill, so must a company sharpen and refine its communications. Conditions change and the communications program must change to meet the new needs. This will require continuing application of ingenuity and imagination in devising more effective ways of assembling, summarizing and disseminating information to coordinate the functions and activities of the organization.

To paraphrase an ancient Egyptian maxim to fit modern business: "Make thy employees craftsmen of communications for therein lies the key to efficient operations".

EIGHT CONDITIONS FAVORABLE TO THE DEVELOPMENT OF GOOD MORALE *

First of all each worker must find some opportunity for self-expression in his work. He must be able to do his task well enough so that he has a feeling of pride in his performance. If, at first, he lacks skill and confidence, he must be given these by encouragement and training ... and, as his skill and knowledge increases, if he is to continue to get full satisfaction from his work, his supervisor must ask his advice and cooperation about any contemplated changes which will affect the worker.

Second, each must feel that his efforts are appreciated, that his supervisor and management realize both the difficulty and the importance of what he is doing, that they do not in any way look down on him or his work.

Third, he must believe in the worthwhileness of the general objectives of the organization and of his unit in the organization ... Workers, especially young workers assigned to meaningless work (or work the meaning of which has not been explained to them, which amounts to the same thing) lose spirit and often quit to take jobs paying less.

Fourth, there must be nothing required of the worker which will take away any of his feeling of self-respect, which will prevent him from maintaining that simple, human dignity which everyone desires. Arbitrary orders without explanation, criticism in front of others, rules or practices that seem to imply suspicion as to one's honesty -- all these and similar things take something away from a person's self-respect and build up a resentment against management. This is bad for morale. Sometimes strict rules of this type are necessary. Two simple precautions will prevent resentment. The first is to explain why the rule is necessary and the second is to make the rule as nearly as universal in its application as possible.

Fifth, the worker must be reasonably free from worry. Most important in the elimination of worry is a feeling of security, a feeling that the job is at least reasonably permanent and secure, that if reductions must be made they will be made on carefully considered merit, and that the person being laid off will be given all possible notice and help in his efforts to find another job

Sixth, each worker must feel that there is ahead of him opportunity for advancement, and that promotions are made on the basis of merit only.

Seventh, he must like personally and respect the ability of his supervisor. Above all he must feel that his supervisor is fair and that there are no favorites who receive special consideration.

Eighth, and last, he must find in the work environment a satisfying social experience.

* Halsey, George D., Supervising People (New York: Harper & Brothers Publishers, 1953), p. 217.

REPORTS FOR THE CHIEF EXECUTIVE OFFICER OF AN INSURANCE COMPANY *

A. Report Areas

I. Marketing information

1. Sales by major divisions compared with the same period of the prior year and with sales forecast.
2. Comparative sales by product line, with profit by line.

II. Administrative information.

1. Comparative budget reports by major departments.
2. Comparative costs by product line.
3. Functional cost by departments (rent, depreciation, clerical cost, etc.)

III. Corporate Profit Information

1. Comparative company profit report
2. Comparative statement of company and competitors profit.

B. Report Purpose

The reports are to be used to evaluate company executives, company policy, and the general insurance industry. They should be designed for policy action as well as high level administrative action.

* Woodson III, R. P., presented to the Southern Planning Committee, Life Office Management Association, June 1962.

ABSTRACT OF INTERVIEW WITH A GENERAL ELECTRIC COMPANY FOREMAN *

As a foreman, here are my receiving needs: I need to receive communications concerning general company developments, local departmental developments, and any and all information necessary to enable me to perform my function well. This includes information on matters affecting me as a foreman and/or my entire group. I want this to occur as oral communications from my general foreman at frequent (perhaps weekly) informative meetings, and as written communication emanating from proper sources. I want written communication to be concise, clear and accurate, and presented in the manner of a news story so that I could get the main thoughts by reading the first sentence or paragraph. I myself am able to decide quickly on the necessity for familiarizing myself with details in each particular instance.

I also want to receive communication from my men concerning problems, ideas, and suggestions arising from their work or the fact that they are employees of the company, and concerning personal problems, as necessary.

As a foreman, here is my giving procedure, I pass all information received on to my men orally at regularly scheduled (usually weekly) informative meetings. In special cases only do I turn to written communications.

I also pass all pertinent information upward to the general foreman. This includes a "feedback" of information from my men, either oral or written as the case may warrant.

39 Merrihue, op. cit., p. 120

JOB SPECIFICATION

**I. Position: Communications Specialist
Department: Public Relations**

II. Education:

Position requires Bachelor's degree preferably in English, Journalism or business administration.

Graduate study in communications, English, business administration or Journalism is desirable.

III. Experience:

Three to five years' experience in creative or editorial writing, news media reporting, or related communication fields.

IV. Special Knowledge:

Knowledge of psychology, business communications techniques, procedures and analysis, printing production and editing. In addition, knowledge of field and home office insurance operations and extensive knowledge of insurance industry terminology.

V. Special Abilities:

Position requires ability to develop, coordinate, analyze and direct communications program as it applies to related company activities. Above average ability in sales judgment, idea fluency, verbal expression, discriminative judgment and interpretive ability.

SAMPLE AGENDA FOR ANNUAL MANAGEMENT MEETING

- I. Summary of past year - Senior Vice President of Home Office Operations
 - A. Accomplishments versus plans for the year.
 - B. Life of Virginia's growth compared to the Life Insurance Industry.
- II. Plans for the current year - President
 - A. Company goals
 - 1. Expected increase in insurance in force.
 - 2. Anticipated changes in operating territories.
 - B. Planned changes in the home office.
 - C. Proposed changes in policy.
- III. The computer installation - Senior Vice President of Home Office Operations
 - A. Plans for conversion
 - B. Effects on the field offices
 - C. Effects on the home office
- IV. Question and answer - President and Senior Vice President
- V. Dinner

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I, Stuart Ray Long, was born September 5, 1931 in Richmond, Virginia. I attended high school in Goochland County, Virginia, graduating in 1948.

After high school I accepted a position with the Southern Bank and Trust Company, starting as a messenger and advancing to manager of the Transit Department. While employed by the bank I attended several American Institute of Banking courses at the University of Richmond.

In October 1951 I resigned from the bank and entered the U.S. Air Force. During service I attended the U.S. Army Finance School at Fort Benjamin Harrison, Indiana and night classes at Midwestern University in Wichita Falls, Texas.

Upon discharge from the Air Force in September 1955 I entered the University of Richmond graduating from the School of Business Administration in 1958. During college I was a member of the Society for the Advancement of Management, Alpha Kappa Psi and in my senior year was elected to the Alpha Society.

After graduation I accepted a position with the Life Insurance Company of Virginia as Methods Analyst working in the Methods Research Division and in the Electronics Division.

In addition to my work I have completed three and one-half years of graduate work in the Evening School of Business Administration of the University of Richmond, and Course I of the Life Office Management Association Institute educational program.

I have been on the Students Advisory Council serving as Chairman in 1961. I have also been active in the National Office Management Association Institute serving on the National Committee for Systems and Data Processing.

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