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## **The Importance of Communication for Organisational Effectiveness**

**Owen Hargie**

### **Introduction**

In this chapter I will discuss the key contribution of communication to organisational success. There is now a host of studies to demonstrate the centrality of communication in the business world. For example, Morley et al. (2002, p. 69) illustrated how: “Organizations that develop effective communication processes are more likely to both have positive work environments and be more effective in achieving their objectives”. In this way, communication contributes to increased job satisfaction for employees and better bottom line benefits for the organisation. Likewise, Zwijze-Koning and de Jong (2005, p. 429) highlighted that, “The importance of communication for the effectiveness of organizations and the wellbeing and motivation of employees is undisputed”. In addition, research has shown how dysfunctional or destructive leadership communication can be calamitous for business organisations (Schyns and Schilling, 2013; Tourish, 2013).

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Research into communication in organisations has employed a wide array of methods and methodologies (for a full review of these see Hargie and Tourish, 2009). For example the measures that have been used include:

- Questionnaires such as the International Communication Audit survey, the Communication Satisfaction questionnaire, the Organizational Communication Development Audit questionnaire, and the Organisation Communication Scale
- Interviews
- Focus Groups
- E-communications tracking
- Data Collection Log Sheet Methods (e.g. Mystery Shopper, the Critical Incident technique, the Delphi technique, Diary methods, and the Episodic Communication Channels in Organisations, or ECCO, approach)
- Communication Network Analysis
- Ethnographic Approaches

In addition to the range of measures that have been employed, there are also wide variations across a range of other variables, including the focus of the research (examining one aspect e.g. upwards communication, or the entire gamut of communication), variety of instruments employed (one measure versus multiple methods), sample sizes (small scale to huge), breadth of study (one small department or the entire corporation), objectives of the study (research or management information), nature of the organisation (public or private sector, manufacturing, retail, financial, etc.), and the organisational context (highly successful organisation or one with very severe problems). It must therefore be recognised that all of this makes comparisons and generalisations across research studies very difficult. However, from a Hargie, O. (2016) The importance of communication for organisational effectiveness.

range of review studies we know that there is now extensive evidence to show that effective communication has a range of considerable benefits (Bedwell et al., 2014; Clampitt, 2013; Ellwardt et al., 2012; Jenaibi, 2010; Meade, 2010; Meehan, 2013; Rockman and Northcraft, 2008; Thomas et al., 2009; Welch, 2012; White et al., 2010). These include:

- increased productivity
- higher quality of services and products
- greater levels of trust, engagement and commitment
- more staff suggestions and higher levels of creativity
- greater employee job satisfaction and morale
- better workplace relationships
- more acceptance of change
- decreased absenteeism
- reduced staff turnover
- less industrial unrest and fewer strikes
- reduced costs.

With my colleagues at Ulster University, I have conducted research and operational audits in a wide range of public and private sector organisations across several countries. From this work we have distilled the main essence of what staff value most in terms of communication (see Hargie and Tourish, 2009). The first and most important factor is having an effective line manager. In our work we have found that this is a bellwether measure, as it is a central indicator of effective communication in the entire organisation. If employees rate their line manager highly then they rate the organisation highly. As described by Bisel et al. (2012, p. 129), “the supervisor-subordinate relationship is a microcosm of the organizational universe...when supervisors communicate with subordinates their interactions are an

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observable manifestation of organization in action.” The other ‘top five’ key dimensions are: having regular face-to-face communication at all levels, good communication from senior managers, ready access to information, and good upwards communication.

Effective communication is important for a number of reasons. Let me illustrate this with some findings from two recent UK surveys. The first was carried out by the Institute of Leadership & Management (2013) and involved a UK representative sample of 1,018 non-managerial employees, and 1,091 managers. As shown below, it found that in terms of motivating factors while material rewards were important, job satisfaction was most important and relationships with colleagues and immediate manager were rated in the top 5.

<u>Importance of motivating factors</u>	%
How much I enjoy doing the job I do	59
How much money I am paid, having a good pension and other benefits	49
How well I get on with the people I work with	42
How well my manager treats me and shows interest in my ideas and my welfare, etc.	22
How much control I have over my own work and how I do it	22

In addition, when asked to identify one thing that would motivate them to do more, 31% of employees identified better treatment from their employer, more praise and a greater sense of being valued. However, while 69% of managers stated that they were “always giving feedback” to their staff, just 23% of employees felt that this was the case (one-third of the number of managers who thought this). There is therefore a disconnect here between the views of managers and employees.

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The second study was a survey of 46 CEOs/ Senior Leaders in the UK by the Marketing Society (2013), which found that what they regarded as the main essential leadership skills at this senior level were:

1. Giving a clear sense of direction
2. Bringing the customer into the boardroom
3. Communicating clearly – both inside and out
4. Being flexible but not floppy
5. Taking risks but not ‘betting’ the company
6. Building the team around you
7. Listening with humility, acting with courage
8. Earning your reward through building trust

All of these leadership skills relate in some way to communication and some, such the one rated number 3, are totally communication-focused.

### **Key Elements of Communication**

Given the importance of effective communication for organisations, let us now examine the key elements of this field. Communication as a social science discipline has been defined as "The scientific study of the production, processing and effects of signal and symbol systems used by humans to send and receive messages" (Hargie, 1992, p. 10). In the organisational sphere it has been studied in relation to its seven main constituent components (Hargie et al., 2004) of:

- Communicators (attributes of the people involved)
- Goals (what communicators are trying to achieve)

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- Messages (verbal and nonverbal communication)
- Channel (written, face-to-face, mediated)
- Feedback (how communications are transacted)
- Context (physical environment and culture)
- Effects (the outcomes from the communication)

In a sense I began this chapter at the end of this list by itemising the effects in terms of the main benefits that can be gained from effective communication. I will therefore focus upon the remaining six elements. So, what do we know about these six aspects of communication in organisations?

## **Communicators**

In terms of organisational communicators we can divide this into two main categories: leaders and followers. Let us look firstly at leaders. Leadership has been studied from a myriad of different perspectives including, inter alia, personality traits, power, situational demands, and transactional and transformational characterisations (Haslam et al., 2011; Northouse, 2013; Rumsey, 2011). However, one viewpoint that has been comparatively neglected in the study of leadership is that of communication. This is somewhat surprising, given that communication is at the very epicentre of effective leadership and that conducive communication has been shown to have huge benefits for corporations (Hargie et al., 2004;

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Clampitt, 2013). While there are many dimensions of leadership that we could examine I will focus here upon three well-researched features.

Gender. One dimension of leaders is that they are overwhelmingly male. We know that, in general, there are serious gender disparities across the world, with females at a disadvantage in many aspects of life (World Economic Forum, 2014). In relation to the business sphere, if we examine the Grant Thornton International Business Report (2013) on senior managers we see that only China has more than 50 percent female representation (see Table 1).

Interestingly, at the bottom of this Table is its near neighbour Japan with only 7 percent representation. No figure is given for Portugal but its neighbour Spain has 21 percent female leaders; the UK is lower at 19 percent female. As Grant Thornton show, these figures have not changed much over the past 6 years, but there has been a slight increase in female CEOs up from 9 percent in 2012 to 14 percent last year. If we look at political leaders, Inter-Parliamentary Union Figures for 2014 reveal that in the UK 22.6 percent of MPs are female, but for Government Ministers this figure drops to 12.5 percent female. This makes the UK 65<sup>th</sup> out of 190 countries listed on the league table of MPs. Portugal has 31.3% of MPs female - making it 32<sup>nd</sup> out of the 190 countries listed. At the time of writing, there are currently only 15 female world leaders. If we look at the business world the pattern is the same. In Fortune 500 companies there are only 24 female CEOs (> 5%), while in the FTSE 100 companies the ratio is similar with just four female CEOs.

A number of reasons for this gender disparity have been identified from research (Evans, 2013; Ibarra et al., 2013; Schuller, 2011). In many countries there is ongoing overt or covert, implicit or explicit, male prejudice against women. This can be caused by negative stereotypes, which in turn shape behaviour. A range of theories have been developed in this

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area (Eagly et al., 2012). For example, expectation states theory would explain the dearth of female leaders in organisations in terms of the assumptions held about female ability to succeed in management. Another factor relates to skewed appointments systems, such as the ‘similar to me’ effect, where males on appointments panels appoint fellow males. Indeed, even the language used in job adverts tends to prioritise typically male rather than female traits. There is also a lack of appropriate networks for females to assist them in climbing the organisational ladder. While there exist a range of ‘old boy’ networks there are few similar ‘old girl’ networks. Finally, there are numerous problems faced by women in trying to balance career and family. Females often play the major role in child-rearing, and juggling these demands with the stresses of a senior management role can be very difficult. As a result, many women do not actually want a seat on the Board or to be CEO – a phenomenon known as the ‘Paula Principle’. While they realise that they would have the ability to perform at this level they do not want to make the associated sacrifices in terms of time and lifestyle associated with these positions. The Peter Principle purported that people (mainly males) are promoted to their level of incompetence, whereas the Paula Principle purports that most females are working well below their level of competence (Schuller, 2011).

One way to have more females in senior leadership roles is to have quotas for female leaders in organisations. Several countries have introduced such quotas, a system supported by Christine Lagarde, MD, IMF, in her speech at Davos in 2014, when she stated: “I’m pro-quotas, I’m pro-targets. We should be made accountable in order to reach those numbers”. Matsa and Miller (2013) examined Norwegian companies following the introduction of quotas in that country in 2006. They compared those companies affected by the quota regulations with those not affected. Among their findings were that the firms affected by

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quotas undertook fewer workplace reductions, had an increase in relative labour costs and a reduction in short-term profits. These findings indicate that the increased ‘feminisation’ of the workplace may indeed affect the operation of the company, but further long-term research is required before firm conclusions can be reached.

Height. A second feature of leaders is that they are usually taller. When we are very young those who have control, power and authority over us are adults (parents, teachers, etc.) who are all taller than us. We literally ‘look up’ to them as they are ‘above us’ and we are ‘under them’. It seems that the linkage between height and power becomes embedded in our psyche and carries through into adult life. It has long been known that taller people are more positively regarded than shorter people (Hensley and Cooper, 1987). Let us briefly examine some evidence. Research shows that taller US Presidents consistently receive significantly more votes than their opponents and that those Presidents who are re-elected are significantly taller than those who are not (Stulp et al., 2013). Presidents are also 7 cm taller than the average male of the same generation – and this differential has become more marked in recent years. Taller men tend to earn more and reach ‘higher’ management positions. Thus Fortune 500 CEOs are ten times as likely to be at least 6’2” tall compared with the average US male. In US organisations, it has been found that employees who were 6’ (1.8m) tall earned \$166,000 more, over a 30 year career span, than those who were 7” (18cm) shorter (Judge and Cable, 2004). In both the US and UK for every additional 10 cm height advantage, males earned between 4 to 10% more, and females between 5 and 8% more (Case and Paxson, 2008). In a large-scale Australian study it was found that each extra 5 cm in height resulted in an extra \$1,000 income per year (Kortt and Leigh, 2010). Stulp et al. (2013)

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suggest that these 'heightism' findings occur because being 'taller' is equated with being 'greater'.

Attractiveness. A third feature of leaders is that they tend to be more physically attractive.

This is part of what is known as the 'beauty is good' stereotype or the *physical attractiveness bias*, wherein attractive people are perceived to be more confident, credible, persuasive, personable, popular, trustworthy, likeable, outgoing, interesting, happy, and intelligent (Hargie, 2011). They also receive more eye contact, smiles, closer physical proximity and greater disclosures from others. As shown by Medisauskaite et al. (2014), "The bias towards physically attractive people is well documented within the scientific literature" (p. 21).

Attractive people also receive more tangible benefits. They achieve higher academic grades, have more dates, marry more attractive people and earn more than less attractive individuals. Thus, in an Australian study Borland and Leigh (2014) found that attractive men earned an average salary of AUS\$81,750 per annum while men below average in attractiveness earned AUS\$49,600, a difference of \$32,150. Likewise, CEOs who are more attractive have been shown to receive both higher remuneration and better stock returns for their corporations (Halford and Hsu, 2013). The importance of 'lookism' has, of course, long been known, since as Leo Tolstoy pointed out in 1889, "It is amazing how complete is the delusion that beauty is goodness." Not surprisingly, people spend fortunes on personal attractiveness enhancement.

But what do effective line managers do? Here, we know that employees rate effective line managers as those who care for the staff they manage, who get to know them as individuals, obtain ongoing feedback from them and act on it, provide honest but sensitive appraisals of

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their performance, hold regular efficient meetings where essential information is discussed, and keep their staff fully apprised of relevant corporate developments (Northouse, 2013).

The flip side of leaders is followers. You cannot have one without the other. People like to be followers – especially of successful individuals or causes. In high-functioning work teams there is a symbiotic relationship between leadership and followership in terms of mutual respect, trust and shared values, working together toward a common goal, delegation and responsibility sharing, appreciation of differences, recognition of the leader's authority, and open two-way communication (Kellerman, 2008). However, while there is an enormous volume of research on leadership there is a paucity of research on followership. For example, a search of Google Scholar in January 2015 revealed 2,890,000 hits for the term 'leadership' but only 17,800 for 'followership'. Thus, the study of followership remains in its infancy. There are several categorisations of followership style, with the following five tending to recur (Forsyth, 2010).

- Alienated. These people follow their 'own line' and so tend to be seen as 'mavericks'. They display a healthy scepticism and like to play devil's advocate. As a result they can be seen as troublesome and cynical by the leader.
- Conformist. This type of person actively follows and commits to the leader. They accept assignments readily, seek to minimise conflict, and are reluctant to make suggestions or express their own ideas.
- Exemplary. These are in many ways ideal followers. They are committed to the organisation and the leader, and know what to do without being told. They act with intelligence, independence, and a strong sense of ethics, are cooperative and collaborative.

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- **Passive.** These followers rely on the leader to make the decisions. They believe that the leader is going to do what s/he wants anyway. They seldom openly oppose the leader's decisions, tend to lack initiative and do not take responsibility.
- **Pragmatic.** These individuals stick to the rules and regulations, and believe in the maxim "better safe than sorry". They are risk averse and adept at surviving change.

## **Goals**

The second element of communication is goals. I have defined organisations as "social entities in which the behaviour of individuals is shaped and directed to achieve common goals" (Hargie, 2007, p. 25). This definition underscores the fact that organisations do not succeed or fail - people do. It also emphasises that to be successful, leaders must ensure that all the organisation's employees are pursuing common goals. We know that the human being is an intentional system driven by goals. Indeed, as Brataas et al. (2010, p. 185) point out, "All other aspects of the interactive process relate to and can only be fully understood in the light of the goals being pursued". In this way, goals determine and drive our behaviour - although they are for the most part subconscious. We also try to figure out what other people's goals are so we can understand their behavior. Individuals have to be channeled and harnessed towards joint efforts and this means that managers and employees should be pursuing the same goals since differentials in perceptions of goal importance can lead to goal conflicts. Goals can be assigned, self-set or participative. Assigned goals are decided for us by others who instruct us about the goals we should (or should not) be pursuing, whereas self-set goals are freely chosen. Participative goals are negotiated and agreed in interaction with others. We tend to be happiest when pursuing self-set goals, next happiest when

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following agreed, participative goals, and least happy when trying to achieve goals that have been assigned to us by others.

Leadership can be studied from the perspective of goal achievement (Haslam et al., 2011; Huber, 2014). Indeed, since goals figure prominently in life and success is often measured in terms of goal output, then leadership must in some way serve to facilitate goal achievement. Thus, Northouse (2013, p. 5) defined leadership as, “a process whereby an individual influences a group of individuals to achieve a common goal”. In effective organisations, leaders communicate in such a way that employees feel they have had a role in shaping the corporate goals. Employees should certainly be aware of the goals that the leader is trying to achieve, although unfortunately this is not always the case (Schyns and Schilling, 2013).

## **Messages**

The third aspect of communication is messages. In organisations messages are sent and received in 5 directions (see Figure 1). We communicate with ourselves through self-talk and evaluation, communicate upwards to those above us in the hierarchy, downwards to those for whom we have line management responsibilities, outwards to suppliers, customers, etc., and across to colleagues in other departments. The key determinants of effective messages are that they should be timely, clear, understandable, accurate, consistent, have an appropriate load (neither too much nor too little information), relevant to the recipients, and credible (Zaremba, 2010).

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Employees engage in sensemaking about the verbal and nonverbal messages being sent by managers and so the meaning of messages is constructed. This means that the meaning that leaders believe they are sending may not be the meaning interpreted by the recipients of the messages. They also make judgements about the type of messages they receive from managers, in comparison to those that colleagues receive. As summarised by Hearn and Ninan (2003, p. 441) “The meaning environments of organizations are inherently complex - first because the real-time interpersonal interactions that constitute the web of meaning in the organization are complex and inherently asymmetrical but also because access to information (e.g., meetings, decisions, strategies, and biases of senior managers) is unevenly available.”

Leader-member exchange (LMX) theory argues that managers have limited amounts of resources (time, energy, finances, etc.) and so have to distribute these resources selectively (Lee, 2001). This, in turn, affects the quality of the LMX as employees soon become aware of differential treatment. Research shows that employees in high-quality LMXs receive numerous tangible benefits (higher pay, more rapid promotion, etc.) and higher job satisfaction, whereas those in low-quality LMXs experience reduced levels of job satisfaction.

In a recent study of uncertainty management theory in a large multinational corporation in Northern Ireland, we found that the *quality* of information received was more important than the *quantity* in terms of enabling employees to cope with uncertainty (Meehan and Hargie, 2015). Two key determining factors here were perceived *relationship* with the sender and *trust*. The trust – attraction hypothesis was also borne out in this study in that ratings of timeliness of information were significantly related to ratings of trust in managers. Similarly, Hargie, O. (2016) The importance of communication for organisational effectiveness.

a major study by Shockley-Zalabak and Ellis (2000) of 2,000 employees in 21 companies across 7 countries showed that the receipt of information was the factor that correlated most highly with job satisfaction and organisational effectiveness. Likewise, Sias (2005, p. 375) found that “The better informed employees are, the less uncertain they are, the more satisfied they are with their jobs, and the better their perceived performance. Informed employees also tend to make better decisions and enhance organizational knowledge development and distribution”. Employees do not want to be ‘kept in the dark’ or informed on a ‘need to know’ basis –they want to be ‘in the know’. However, in many organisations employees are swamped by irrelevant information (especially by email) that they neither want nor need to receive. Rather they wish to receive information that is directly relevant to their job, and to know where they can access other information if they need it (Meehan, 2013).

In a study at Ulster we investigated the oft-cited maxim that no matter how much information employees receive they will invariably continue to report that they want more. However what we found was the opposite namely that “the provision of more information did not lead employees to want greater amounts. In fact, the difference between the amount of information staff received and the amount they desired decreased...The net effect of increased information provision was to improve satisfaction with the overall communication climate.” (Hargie et al., 2002, p. 429).

## **Channels**

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The fourth communication element is channels of communication. The terms 'channel' and 'medium' are often used interchangeably. It is often said about communication that the medium is the message, since the channel through which we communicate conveys information about our attitude to the interlocutor. If a close friend has a loved one who has just died we are much more likely to visit them in person to express sympathy than just to send an email. Media richness theory argues that judgements about the richness of a channel are based on the number and 'mix' of cues (visual, audio, and written) it contains, the availability and rapidity of feedback, the extent to which it facilitates interactivity and participation by all parties and the capacity to provide emotional as well as cognitive information. As shown in Figure 2 there is a hierarchical list of channel richness with face-to-face providing the richest channel and typed memos at the bottom. Choices as to the most suitable channel to use in any situation depend upon a range of factors (Korda and Itani, 2013). For example, the face-to-face channel is preferred for important or personal information whereas the email channel is preferred for less important or routine information.

Employees like to have the opportunity to interface with senior managers. There seems to be a cathartic effect associated with being in the presence of famous or important people, and in the workplace this is the CEO and other senior figures. This means that senior management should take steps to arrange meetings with staff. At the same time, employees do not expect a great deal of face-to-face communication from senior managers as they realise that these people are time poor, but they do anticipate regular face-to-face exchanges with their immediate line manager. However, there is an enigma here in that in that, despite the fact that surveys consistently show that the preferred channel of communication for employees is face-

to-face contact, organisations tend to give pre-eminence to e-communications (Clampitt, 2013). In this sense we live in an era of technological determinism.

## **Feedback**

In terms of the fifth element of communication, the concept of feedback has long been the subject of investigation in the social sciences (Hattie and Timperley, 2007). Feedback is the means through which the sender is able to ascertain the extent to which messages have been successfully received and the impact that they have had on recipients. Convergence towards mutual understanding and shared meaning in organisations is directly related to the degree to which feedback is put to effective use. It is clear that upwards communication is important here. The earlier perspective of internal communication as unidirectional messages being sent down from the top of the hierarchy has been transformed into a recognition of the importance of two-way communication by obtaining feedback from employees at all levels, and listening to and acting upon what they have to say (Davey and Liefhooghe, 2003). In their review of the area, Tourish and Hargie (2004, p.189) concluded that, “Upward feedback, upward communication and open door policies deliver significant organizational benefits”.

Organisations therefore need to foster upwards communication – but managers face a perennial problem in obtaining open, honest, upwards feedback, since what they are told travels through the filters of employee ingratiation (whereby employees try to gain favour with managers by telling them how great they are, how effective their decisions are, etc.), self-efficacy biases (managers want to believe they are effective and so believe such flattery), and norms of compliance and conformity. What is known as the MUM effect is operative, in

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that employees feel under pressures to **minimise unpleasant messages** they deliver to their superiors. No-one wants to be a dead bad news message deliverer and so most upwards communication is positive, regardless of veracity. Managers naturally want to hear that they are doing well, thereby creating an effect that has been termed the boss's illusion (Odom, 1993), wherein the manager believes the false positive information. This means that the boss may very well be unaware of problems on the shop-floor. As a result, organisations need to actively foster upwards communication. This means that formal systems (audits, surveys, suggestion schemes, etc.) should be in place to maximise honest feedback from employees. Yet from my own work with many public and private sector organisations it is surprising how few even have suggestions schemes in place.

## **Context**

The final aspect of communication is context. All communication is embedded within a context and so messages can only be fully understood by taking cognisance of the situation in which they occur. There are a range of contextual factors that impinge on organisations. A key one is the globalisation effect, in that companies now look beyond their local markets. As a result, the multinational company is increasingly the norm. This, of course, creates challenges in terms of communication across countries and cultures. Organisational culture is comprised of the beliefs, values, traditions, customs, and practices shared by members and transmitted across employee generations. But in light of ongoing technological innovations such culture must readily adapt to change. Across the world there are now 2.5 billion internet users, over 200,000 texts are sent per second, 294 billion emails are sent per day (2.8 million

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per second), 500 million Tweets are sent per day, and 100 hours of video are uploaded to YouTube every minute. The problem for managers is how to manage this volume of communications. Another dimension is increased employee empowerment. Generation Z have ever increasing expectations about rights and entitlements, and this means that styles of management are continually changing. Matrix management has become very common with leadership increasingly being shared. As noted by Røsdal (2005, p. 201), “The truly effective matrix organization is constituted first of all of socially skilled leaders on *all* levels who are effective persuaders...and who are able to alter their leadership style depending on the context”.

Yet, in terms of equity in organisations there are huge problems. For example pay differentials continue to worsen at a worrying pace. In 1968 CEO pay in the USA was 20 times the average employee pay, by 1980 it had increased to 42 times the average employee pay, by 2000 it was 120 times and in 2013 CEO pay was 331 times the average employee pay (I note that Portugal fares somewhat better in this regard as in 2013 CEO pay was 53 times the average employee pay). There is no evidence that the massively increasing pay differential produces better corporate outcomes. Indeed Jacquart and Armstrong (2013) in their meta-analysis show that it is in fact counter-productive as, apart from the demoralising effect on the workforce, it undermines the intrinsic motivation of executives, inhibits their learning, leads them to ignore other stakeholders, and discourages them from considering the long-term effects of their decisions.

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Also, they do not suffer consequences of failure. For example Jamie Dimon the CEO of JP Morgan Chase earned a 74% pay rise to \$20 million in 2013 the same year the company had to pay \$23 billion in fines for regulatory wrongdoing wiping out one-fifth of their revenues, and their full-year profits fell by 16%. But he has other benefits. He also holds a third of a billion dollars in JPMorgan shares. The shares he held at the beginning of 2013 increased almost \$80 million over the course of the year — four times his salary. As the share price rose, he made more in one day, Nov. 8, 2013, than his entire 2012 salary of \$11.5 million. This drive for super-pay has infected many organisational contexts including the public sector. For example, in the UK National Health Service (NHS) in 2013, 2,600 managers earned more than the UK Prime Minister's £142,500 salary – at a time when the NHS is facing a severe fiscal crisis. The highest-paid executive took home £340,000 - almost 16 times the pay of ward nurses who earn an average of £21,388.

Finally, in terms of attribution theory, despite their ever-growing remuneration, research by myself and my colleagues has shown that senior managers very rarely accept responsibility or apologise for their failures (Hargie and Tourish, 2010; Stapleton et al., 2011; Tourish and Hargie, 2012). Rather, they accept responsibility for any successes but attribute failure to others or to a range of unfortunate and unforeseeable contextual events.

## **Conclusion**

In this chapter I have demonstrated how communication is crucial for organisational success. We know the key constituents of effective organisational communication and the real surprise

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is why many organisations ignore these. But in my experience of working with and researching in corporations, there is a definite communication paradox operative, in that advice about changes in communication is most likely to be readily accepted in organisations where it is least needed and most likely to be rejected in organisations where it is most needed. This means that there can be severe challenges and difficulties in changing the communication culture of organisations.

Successful companies have skilled managers who communicate well with people at all levels. This leads to a range of positive outcomes. Working relationships are optimised, creativity is encouraged and employees feel an increased sense of belonging and commitment to the organisation. This has both psychological effects in terms of increased employee satisfaction and tangible bottom-line benefits in the form of increased company profits. The structure of this chapter provides a template with which to analyse organisational communication, in terms of the communicators involved, the goals they pursue, the messages sent and the channels used to send them, the attention paid to upwards feedback and the context within which all of this occurs. All of these make an important contribution to organisational success.

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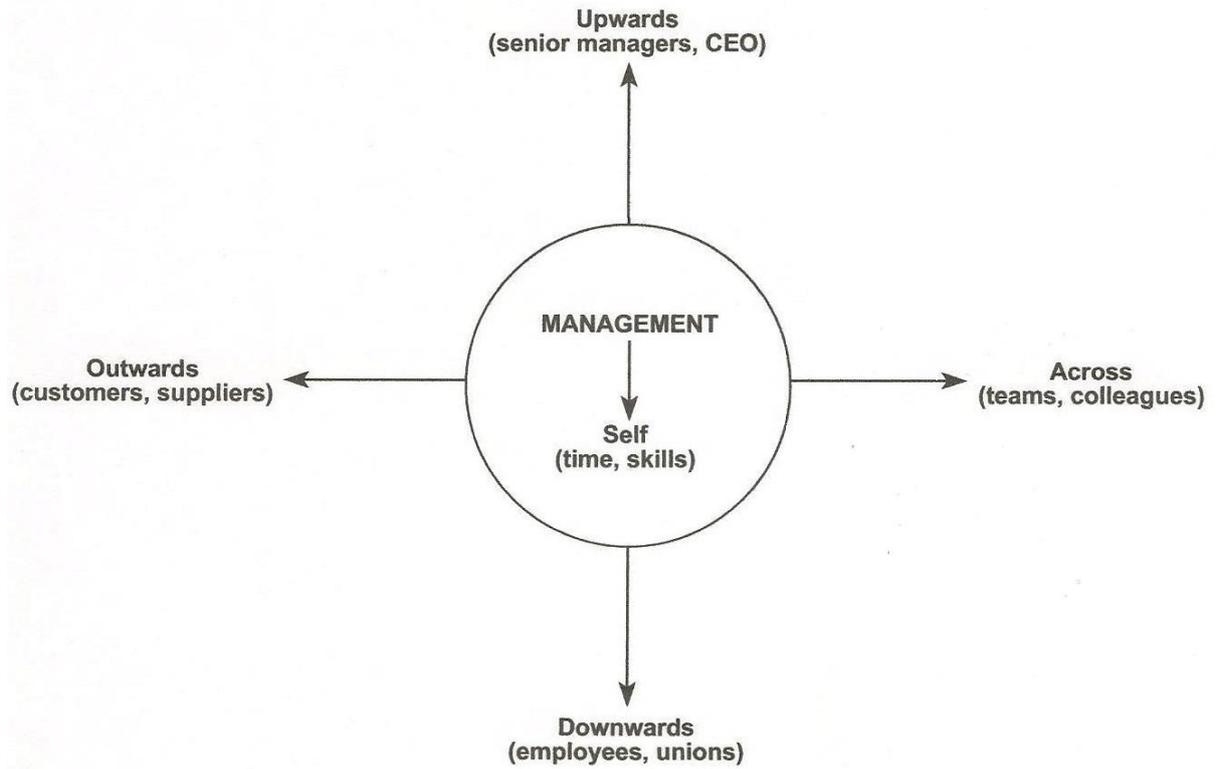
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**Table 1: Women in Senior Management (%)**

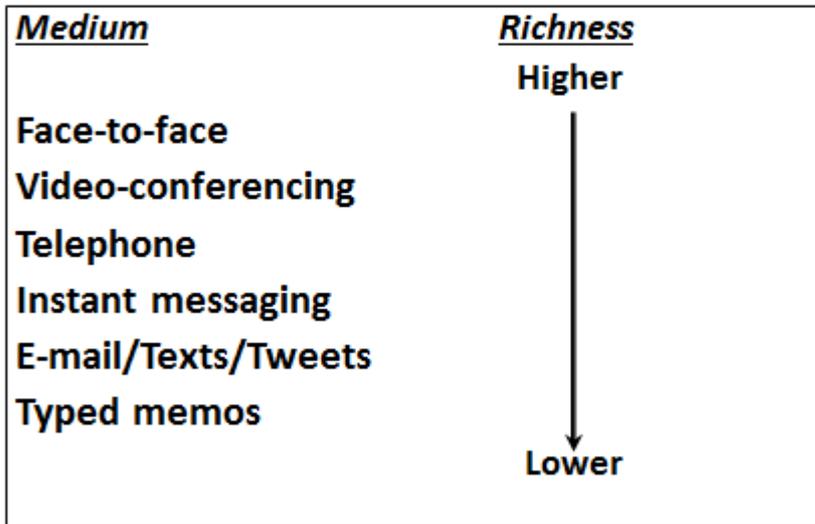
• China 51	• New Zealand 28	• Spain 21
• Poland 48	• Belgium 28	• Ireland 21
• Latvia 43	• Peru 27	• United States 20
• Estonia 40	• Singapore 27	• United Kingdom 19
• Lithuania 40	• Sweden 27	• India 19
• Philippines 37	• Canada 27	• Argentina 18
• Georgia 37	• Malaysia 26	• Switzerland 14
• Thailand 36	• France 26	• Netherlands 11
• Vietnam 33	• Finland 24	• United Arab Emirates 11
• Botswana 32	• Italy 24	• Japan 7
• Russia 31	• Denmark 23	
• Germany 31	• Brazil 23	
• Taiwan 31	• Mexico 23	
• Hong Kong 30	• Armenia 23	
• Turkey 30	• Australia 22	
• Greece 30	• Chile 22	
• South Africa 28	• Norway 22	

(Source: Grant Thornton International Business Report, 2013)



**Figure 1** The five directions of management communication

**Figure 2 Social 'Richness' in Channels**



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