

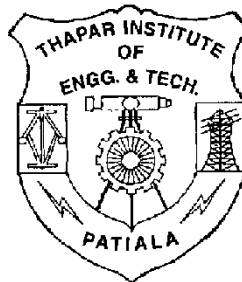
**“A STUDY OF COMMUNICATION EFFECTIVENESS  
IN RELATION TO ORGANIZATIONAL  
EFFECTIVENESS IN AUTOMOTIVE INDUSTRY”**

**A THESIS SUBMITTED IN  
FULFILLMENT OF THE REQUIREMENTS  
FOR THE AWARD OF THE DEGREE**

**of**

**DOCTOR OF PHILOSOPHY**

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*“The greatest problem with communication is the illusion that it has been accomplished.”*

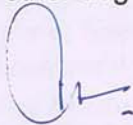
*George Bernard*

*Shaw*

## CERTIFICATE

I hereby certify that the work which is being presented in this thesis entitled "A study of communication effectiveness in relation to organizational effectiveness in automotive Industry", in fulfillment of the requirement for the award of degree of "Doctor of Philosophy" submitted in School of Management and Social Sciences, Thapar University, Patiala is an authentic record of my own work carried out under the supervision of Dr. Paramjit Kaur Tulsi.

The matter presented in this thesis has not been submitted for the award of any other degree of this or any other University.



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## CERTIFICATE

*Certified that the thesis entitled "A STUDY OF COMMUNICATION EFFECTIVENESS IN RELATION TO ORGANIZATIONAL EFFECTIVENESS IN AUTOMOTIVE INDUSTRY" which is being submitted by Ms. Reeta Hali in fulfillment of the requirements for award of the Degree of Doctor of Philosophy in Management, Thapar Institute of Engineering and Technology (Deemed University), Patiala, is a record of candidate's own work carried out by her under my supervision and guidance. The matter embodied in this thesis has not been submitted in part or full to any other University or Institute for the award of any degree.*



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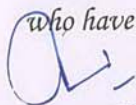
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## **Abstract**

*The present study is an attempt to study the effectiveness of organizational communication with respect to its dimensions namely downward, upward and horizontal communication as perceived by the personal working at three management levels in relation to organizational effectiveness. Product moment correlations were calculated to determine the extent of the relationships between various dimensions of organizational communication and organizational effectiveness. t-ratios were used to study significance of differences between means of extreme groups high and low on organizational effectiveness with respect to organizational communication and its dimensions. 2x3 ANOVA was applied to study the main effect of state and management levels and the interactional effect of these variables on the perceptions regarding effectiveness of organizational communication in Indian Automotive Industry. Wherever F was found to be significant, t-ratios were worked out to find out the differences between means of various groups. The results of the study indicate that there is significantly positive relationship between organizational communication and organizational effectiveness and there is significant difference in the perceptions of the three management levels with regard to the effectiveness of organizational communication and its dimensions.*

# Chapter 1

## INTRODUCTION

### 1.1. Importance of Communication in Organizations

Communication is key to the functioning of organizations. Communication is considered to be the most important and critical activity, which helps in operating organization through communication among people (Davis, 1981). An organization is a group of people constituted to achieve certain specific objectives. The achievement of these objectives largely depends upon a proper coordination and integration of human effort in an organization. Coordination and integration of various human activities are possible only if there is an effective system of communication in the organization, which provides for exchange of information and sharing of various ideas. The more effective the system of communication, the better are the relations between the workers and between workers and the management (Diwan & Aggarwal, 1997). Communication, however, cannot be viewed simply as an important organizational component. Rather, “Communication is every organization's lifeblood” (Andrews and Herschel, 1998). Communication is as necessary to an organization as the “blood stream is to a person. Just as people develop arteriosclerosis, hardening of the arteries that impairs their efficiency so may an organization develop info sclerosis- hardening of the information arteries that produce similar impaired efficiency” (Davis, 1981,p271).

The importance of communication for achieving organizational objectives, furthering human relationships, making sound decisions, and so forth is pointed out by nearly every modern work on organizations. It is also considered as an important determinant of organizational effectiveness (Somasundaram, 1995; Reddy & Gayatri, 2005). .” (Bovee,<sup>1</sup>2005,p48) observes that the functional importance of technical communication for an individual or an organization cannot be over emphasized. “Achieving success in today’s workplace is closely tied to the ability of employees and managers to communicate effectively with each other and with people outside the organization. The ability to communicate effectively increases productivity, not only of managers but of organizations as well. With good communications skills, one can anticipate problems, make decisions, coordinate workflow, supervise others, develop relationships, and promote products and services.” The list of its multipurpose functions is very long. It not only makes professional interaction possible but also directs the

flow of technical information and knowledge for the guidance of technocrats, engineers, and others in their professional activities. According to Rizvi (2005, p14), “Communication stimulates scientists, engineers and researchers to act to achieve individual as well as social and organizational objectives and develops information and understanding essential for effective group functioning. Moreover it leads to unification between the activities of individuals as a work team and helps to foster positive attitudes required for motivation, cooperation and other important organizational processes. Finally, it ensures free exchange of information and idea and promotes scientific temper and maintenance of professional relations.”

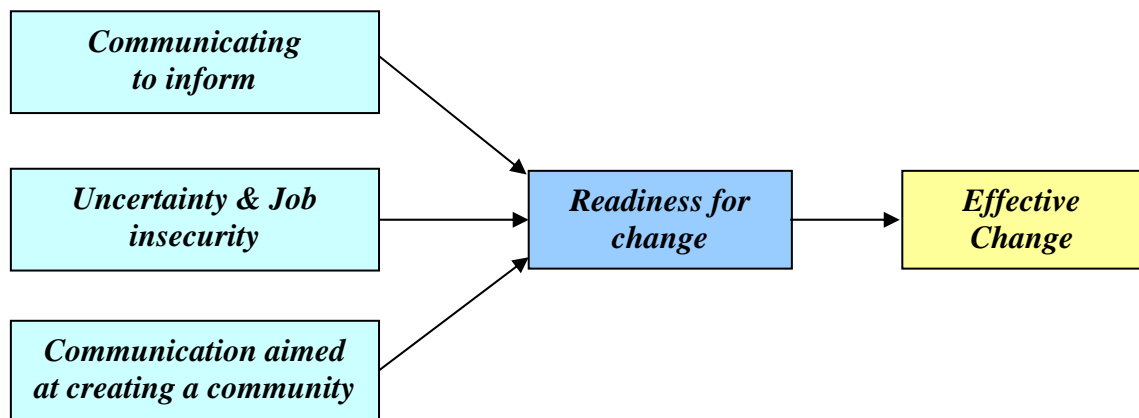
Organizational analysts have ascribed varying degrees of importance to the communication process. According to Ganguly (1995), good communication is the foundation for sound management. The managerial functions of planning, organizing, directing and controlling depend on communication in an enterprise. “The Calcutta based Philips consumer Electronics bridged the gap between the management and workers by transparency through two-way communication. Pyobir Sen, MD, drastically improved system of internal communication at Indian Airlines” Dwivedi (1998,p2). Further Rama J Joshi(2001,p5) in her article “High Performance Culture” writes that “an open, honest and relevant communication is an important factor in developing a culture of high performance. Developing good communications is therefore, essential in order to generate trust, cooperation, commitment and feeling of belonging. \*Smith,( 2006) opines that an honest, open and two way communication is always an important element in the management of people, who are the human resources of organizations. However in his critique of undifferentiated views of the benefits of open communication, Eisenberg and Witten (1987) identified four types of contingencies namely – individual, relational, organizational and environmental which decide individual’s decision to be more or less open.

Wilensky (Hall, 1991) suggests that four factors determine the varying importance of communication for the organization namely: (a) The degree of conflict or competition with the external environment, (b) The degree of dependence on internal support and unity, (c) The degree to which internal operations and external environment are believed to be rationalized, (d) The size and structure of the organization, its heterogeneity of membership and diversity of goals, its centrality of authority. Thus highlighting the fact that organizations face conflicts of various types like differing subunit goals and perceptions, cultural diversity within the organizations, win-lose and game situations, and it is only an effective communication system that helps to reduce destructive effects of organizational conflicts.

Many of the problems that occur in an organization are the direct result of people failing to communicate (Parkinson and Rustomji, 1984). Uniformly throughout industry and commerce, breakdowns that are blamed on poor leadership, insubordination, or general ineptness may be attributed to failure of communication (Hubbard, 1996). Hubbard in his study of business and organizational communication system, both inter office and inter-plants discovered that by reasons of poor communication alone most business and industrial organizations are running at less than 12% efficiency. The leader and his subordinate wish to work smoothly together. Hubbard observes that they are often skilled at the operations, which they must estimate and perform. But lacking a cultural heritage of good communication, they find themselves unable in many cases to use their skills effectively. Not realizing what it is they lack, they blame each other's abilities and motives and so create discord and further failure of communication. \*Hence if there is no communication, organizations can collapse for lack of coordination of work (Oldcorn, 1989).

When organizations undergo change, in order to meet the demands of the changing markets, there arises a need for additional communication within the organization (Argentice, 1998). Additional communication is called for at such a time because one role of a leader in an organization is to provide a vision of a credible and attractive future for the organization. \*In fact, there is a positive correlation between the degree of effectiveness of the change with the degree of effectiveness of the communication strategy (Huseman & et al., 1986). Withers (1990) concluded that the introduction of change can be made much easier and resistance to be minimal where the managers implement strong communication programme. In a management case titled Asoka Spintex, Gupta (2000,p 14) comments that “The degree of effectiveness of the change is positively correlated with the degree of effectiveness of the communication strategy” (Huseman & et al., 1986). Withers (1990) concluded that “managers who direct a strong communication programme will find the introduction of change to be much easier and resistance to be minimal. In a management case titled Asoka Spintex, Gupta (2000) reported the response to a question “What strategies should Lalbhai adopt for the long term survival of the company Asoka Spintex - an ailing company in 1987 to a growing company in the year 1997” remarked that “there are inherent weaknesses in the company's communication and decision making processes. There appeared to be little communication, consultation or serious work related discussion....” Amongst the multiple solutions it was suggested, “There should be greater emphasis on information sharing and exploration of ideas through face to face meeting.”

Effective communication takes on added importance especially, when employees are experien\* Change guru J. P. Kotter (1995) takes the view that poor communication is, in very many cases, the root cause of failed efforts to achieve effective and lasting organizational change. He further says that the change is possible if people are willing to make short-term sacrifices, and this can be achieved through credible communications with them. Elvining (2005) and Smith (2006) examined the important role of communication during periods of change. According to Elvin communication is vital to the effective implementation of organizational change. Poorly managed change communication results in rumors and resistance to change, exaggerating the negative aspect of change. He proposed a conceptual model of communication during organizational change as given below.



**Figure: A: Conceptual Model of Communication during Organizational Change**

Elvining in the suggested model makes a distinction between the informative function of communication and communication as a means to create a community. Through this model he shows that communication can help form a community of employees who trusts the organization, is committed to the organization and its management. And this identification with organization affects employees' readiness to change and reduces his sense of uncertainty.

Barker and Camarata (1998) highlight the role communication plays in creating and maintaining learning organization. The learning organization and its embedded communication are poised to meet most of the demands of a dynamic, ever-changing environment. The kinds of communication expressed in the relational foundations, preconditions, indicators, and disciplines are necessary for creating and maintaining this learning. A new approach for interacting, which moves from primarily economic

to include a relation-base, should be fostered. Through communication, this new organization can reach its potential.

“Communication across organizational boundaries and learning forums that allow exchange of ideas can create a more active attitude towards information” (Vikalpa, 1999). Rightly Price and Muller (Hall, 1991) view communication as a panacea for whatever ails an organization

“Good communication is good business. We have learnt this from the Japanese who invest as heavily in their people as in their machinery. The idea is that the more people you have working on the problem, the better chance there is for success. Communications is the glue, which binds people working together towards a common goal. If employees are not given adequate information nor allowed to contribute to the solution of problems, they may revert to being the cause of them, resulting in increased absenteeism, lower productivity, grievances and so on” (Corrodo, 1994, p 2)

The information age heralded the coming of a new type of organization; an organization with an information based structure (Drucker, 1988). Peter Drucker defined this information-based structure as an organization comprising of knowledge specialists who are engaged in mental rather than physical work. These knowledge specialists create or process information for the firm so that the organization will learn and survive in a potentially hostile, turbulent, and competitive environment.

Emerging information age is progressively reshaping perceptions of society and ideas about management, organization, communication and work itself. The explosion of information, the ability to access nearly everything being written electronically, and the rapid and continuing distribution of computers through out homes and offices have created a revolution. This revolution in turn is influencing the way organizations are structured, the people lead and attempt to share power with others, and the very nature of organizations and organizational communications (Mcluhan, 1964).

Stewart (1993, p22)te that “We all sense that the changes surrounding us are not mere trend but the workings of large, unruly forces: the spread of information technology and computer networks; the dismantling of hierarchy; the structure that has essentially organized work since the mid-nineteenth century. Growing up around these is a new information age economy, whose fundamental sources of wealth are knowledge and communication rather than natural resources and labor.”

There is growing evidence that suggests the occurrence of a basic global shift in the organization of work. An editorial essay in 'Organizational Science' characterizes this shift. "As we contemplate the cataclysmic changes occurring in the environment of organizations, and as we observe the organizational revolution sweeping one industry after another, it is altogether clear that the management of organization is undergoing a paradigm shift"\*(Daft and Lewin, 1993,p 4)organizations are under tremendous pressure to examine how best to design their processes so that their products or services provide maximum value to their internal and external customers. Therefore, many organizations are experimenting with new organization forms that are designed to facilitate empowered cross-functional communication. The challenge is to become more efficient or competitive by reducing barriers to communication and to eliminate boundaries, which impede the understanding of end-to-end workflows and better performance on strategic goals. An organization's capability for creating and communicating knowledge is seen as a resource, which can "create global strategic competitive advantage" (Tucker et.al, 1996,p 51). It is entirely 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... Communication is not a secondary or derived aspect of organization- a 'helper' of the other presumably more basic functions. It is rather the essence of organized activity and is the basic process out of which all other functions derive"\*(Bavelas and Barrett, 1951,p368)ective and efficient organization communication system provides access both to objective and tacit knowledge which is the basis for higher performing internal and external organizational collaborations (Daft & Lewin, 1993).

Information age, characterized by advances in technology, globalization, culturally diverse work force, team based organization and enlightened work force has changed the character, needs, and importance of organizational communication. Advances in technology increase the speed, frequency, and reach of communication. People from opposite ends of the world can work together seamlessly, twenty-four hours a day. Moreover, advances in technology make it possible for more and more people to work away from the office- in cars, airports, hotels, and at home (Laudon & Laudon, 1990). This increased use of new technology requires employees to communicate more effectively and efficiently. Technology showcases one's communication skills-one's writing skills are revealed in every e-mail message, and one's verbal skills are revealed in audio and video teleconferences. Furthermore, intranets (private corporate net-works based on Internet technology), and extranets (the extension of private networks to certain outsiders such as suppliers) facilitate communication among employee's managers, customers, suppliers, and investors. The challenges of communicating effectively

with people inside and outside the organization are magnified as more businesses install such networks and they increasingly engage in electronic commerce (e-commerce), the buying and selling of goods and services over the internet.

More and more businesses today are crossing national boundaries to compete on a global scale. Increased globalization and workforce diversity mean that employees must understand the laws, customs, and business practices of many countries and be able to communicate with people who speak other languages. Understanding people and their perceptions, their backgrounds, values etc. helps one become a more effective communicator.

The command-and-control style of traditional management structures is ineffective in today's fast-paced, e-commerce environment. Successful companies no longer limit decisions to a few managers at the top of a formal hierarchy. Instead, organizations use teams and collaborative work group to make the fast decisions required to succeed in a global and competitive marketplace. To function in a team-based organization, one must understand how groups interact, reach decisions, work collaboratively, and resolve conflict. Moreover, people should have ability to listen to and understand others, give balanced feedback, explore ideas keep everyone involved, and credit others work. This requires a basic understanding of the communication in organizational settings (Brandon, 1998)

Today's employee has different values and needs than the employee in earlier decades of this century. Employees have changed dramatically over the last half-century. A new generation of employees, most of whom are better educated, have higher expectations than their ancestors did, and want to work more with their heads than their hands, are more likely to want more information about the company for which they work. James Houghton, CEO of Corning Inc., says that "Today, people question the status quo. They want to make their own decisions. They want to share their ideas and their enthusiasm and not just be told what to do" (Schaefer, 1993). Another report in *The Wall Street Journal* (November 10, 1995) showed that almost two-thirds of employees want more open communication with managers. Kanter (1991,p 91) emphasizing the importance of communication and other human oriented activities argued "new managerial work involves communication and collaboration across functions, across divisions and across companies. .... And having the knowledge, skills, and sensitivity to mobilize people and motivate them to do their best."

Other advantages of effective communication highlighted by various authors (Sen, 2004; Herschell, 1998; Fisher, 1999; Koul, 2002; Summers, 2005; Rizvi, 2005) are that communication (a) creates better interpersonal relations (b) helps to network with people (c)

helps to collaborate with everyone at the workplace (d) influences motivation for enhanced performance (e) helps employees to understand need for change and (f) helps in gathering, evaluating and dissemination of information.

\*Peters and Waterman (1982) after concluding their 'search for excellence' asserted that rich, informal communication leads to more action, more experiments, more learning and helps us in to stay better in touch and on top of things.

The kind of communication that takes place in the business world is not natural communication, but cultivated, strategic communication. It needs to be strategic in the sense of not only accomplishing its immediate informational goals but also in contributing to the development of a healthy, long-term relationship between the sender and the receiver (Monnippally, 2005). It thus, becomes imperative to understand the concept, nature, process, barriers and types of communication in organizations.

## **1.2 Organizational Communication**

There is no basic difference between the general communication and organizational communication because the process is the same in both the situations. Organizational communication too includes creating and interpreting of messages and the principles that regulate them are also the same. However, Sharma and Mohan (2002) differentiates the two on the following basis that organizational communication (a) deals with various commercial and industrial subjects, (b) it uses commercial and technical vocabulary, (c) it is impartial and objective as extreme care is taken to convey information accurately and concisely, and (d) always formal in style.

Wilson (1986) elaborating it further, comments that the difference between organizational communication and other forms of communication lies in that the former is part of an interaction between organization members and actions of the organization and the events within it.

There are diverse definitions of organizational communication, because of differing views of the meaning of organizations (Andrews & Herschel, 1998). For instance, Tortiriello and et.al (1978) defined organizational communication as "the flow and impact of messages within a network of interactional relationships." Goldhaber (1993,pp 14-15) "organizational communication is the process of creating and exchanging messages within a network of interactional relationships to cope with environmental uncertainty." More recently, Andrews & Herschel (1998,p14)ined organizational communication as "that process wherein mutually interdependent human beings create and exchange messages, and interpret and negotiate meanings, while striving to articulate and realize mutually held visions, purposes, and goals."

### 1.2.1 Types of Communication in Organizations

An organizational communication has been classified on the basis of its (a) organizational operation, (b) organizational structure, and (c) way of expression.

#### On the Basis of Operation

An organization whether large, small, or virtual, shares information with people both inside and outside the company to succeed. Lesikar and Flatley (2002) have classified organizational communication into three broad categories on the basis of information being shared within an organization and outside the organization and these are:

##### **(i) External-Operational Communication**

*It refers to communication that is carried into and out of the organization. Companies constantly exchange messages with customers, vendors, distributors, competitors, investors, journalists, and community representatives. External communication is vital to business success. Every business is dependent on outside people and groups for its success. And because the success of a business depends on its ability to satisfy customers' needs, it must communicate effectively with its customer. In today's complex business society, businesses depend on each other in the production and distribution of goods and services. This interdependence requires communication.*

##### **(ii) Internal-Operational Communication**

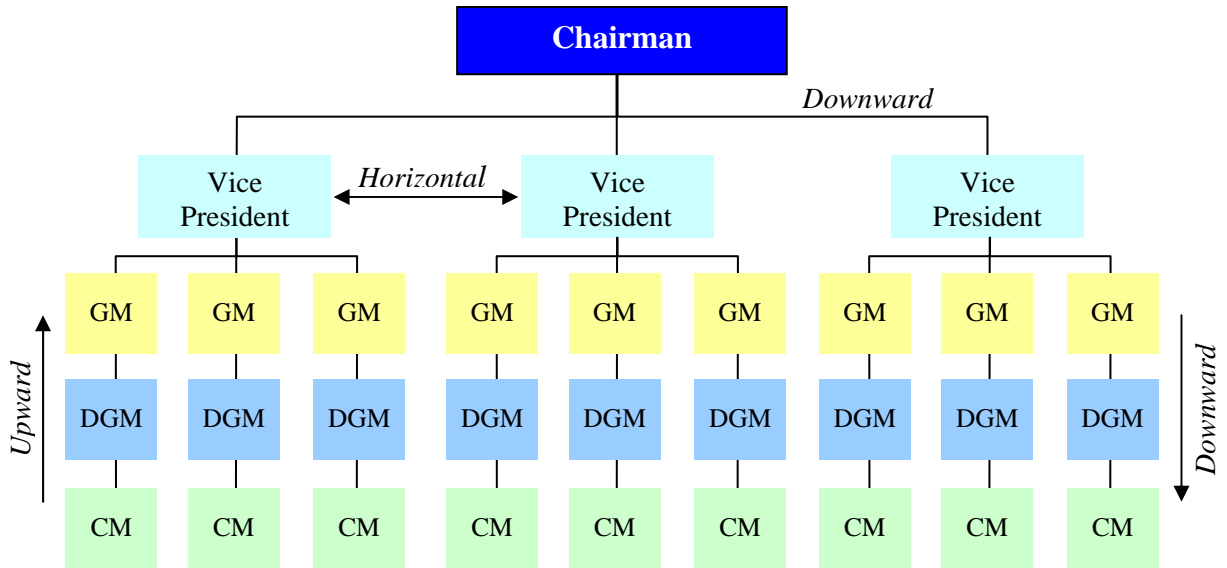
All the communication that occurs in conducting work within a business is classified as internal operational. Internal communication helps employees do their jobs, develop a clear sense of the organization's mission, and identify and react quickly to potential problems. Communication within an organization carries innumerable kinds of messages.

### 1.2.2 Communication on the Basis of Organizational Structure

The interaction between the different individuals working in an organization takes place through different channels. These channels could be both formal and informal based on organizational structure.

- (i) The Formal Communication:** The main lines of operational communication, also called formal channels, are like the network of arteries and veins through which information flows in modern business. In the organization, the path along which a communication is to travel is deliberately created to regulate the flows of communication. So as to make it orderly, and thereby to ensure that the required information flows smoothly, accurately, and timely to the points at which it is required (Mcshane & Glinow, 2005).

The formal communication is further grouped into three categories on the basis of direction of communication namely downward, upward, and horizontal communication (Lesikar and Flatley, 2002; Fisher, 1998) and as shown in the figure below:



**Fig.1.2: Organizational Structure**

GM=General Manager, DGM=Deputy General Manager, CM=Chief Manager.

**Downward Communication** refers to communication from the higher level in managerial hierarchy to the lower ones. Since most of the information, instructions and orders needed to achieve the business’s objectives originate at the top and hence must be communicated downward. Examples of downward communication include feedback regarding performance, job instructions, notices, rules and regulations, circulars, official instructions etc. Forms of downward communication may include notes, notices, memos, telephone conversations, voice mails, e-mails etc. Downward communication is essential for the functioning of any organization as it involves the transfer of information, instruction, advice, request, and ideas to subordinate staff (Fisher, 1999; Flatley, 2004).

**Upward Communication** refers to communication from subordinates to superiors. Examples of upward communication include business proposals, suggestion box, exit interviews, grievance committees, and so forth. Since upward communication involves the transfer of information, requests and feedback from the subordinates to their superiors, it promotes better working

relationships within an organization by giving the subordinate staff opportunities to share their views and ideas with their superiors. It facilitates employee involvement in the decision making process. Most companies recognize the need for more upward communication and find that executives need to be better informed of the status of the things at the bottom. Nevertheless, in any organization there has to be a balance between downward and upward communication channels (Rizvi, 2005; Aggarwal, 1997).

**Horizontal Communication:** The main objectives of horizontal communication are developing teamwork, and promoting group coordination within an organization. It takes place between professional peer groups or people working at the same level of hierarchy. Horizontal communication is less formal and structured than both downward communication and upward communication.

- (ii) **The Informal Communication:** Parallel to the formal communication is the informal communication, a secondary network consisting primarily of personal communication. Such communication system follows no set pattern; they form an ever changing and infinitely complex structure linking all the members of the organization (Lesikar, 2002). The complexity of this informal network, especially in larger organizations, cannot be overemphasized. Typically, it is really not a single network but a complex relationship of smaller networks consisting of groups of people. The relationship is made even more complex by the fact that these people may belong to more than one group and that group memberships and the links between and among groups are continually changing. Known as the grapevine in management literature, this communication network could be quite effective. Certainly, it carries much gossip and rumour, for this is the nature of human conversation. Hence, it could be sometimes fickle and inaccurate. Even so, the grapevine usually carries for more information than the formal communication system, and on many matters, it is more effective in determining the course of an organization. Wise managers recognize the presence of the grapevine. They keep in touch with the grapevine and turn it into a constructive tool.

### 1.2.3 Communication on the Basis of Way of Expression

On the basis of way of expression, organizational communication can be classified into three categories namely (i) Oral communication, (ii) Written communication and (iii) Non-verbal communication.

- (i) **Oral Communication:** It occurs through the spoken word, either in face-to-face communication, situation or through any mechanical or electrical device, such as a telephone, public address systems etc. Some advantages of oral communication are that it saves time and money, allows immediate feedback, helps in improving the motivation of people and generating a sense of participation (Sen, 2004).
  
- (ii) **Written Communication:** Written communication is preferred by the management when messages are lengthy, receivers are many and geographically distant and permanent records of communication have to be maintained. Written communication includes written words, graphs, charts, manuals, reports, letters, circulars and diagrams. Written communication is the most common form of communication used in an organization set up and to be effective, written communication must possess four important characteristics i.e. it should be clear, complete, correct, and to be intelligible. The main advantage of written communication is that it is more orderly and it is binding upon the subordinates and their superiors. Written communication gives more time to the receiver to think, analyze, and then decide upon the right course of action (Diwan & Aggarwal, 1997).

These two forms of communication are complementary to each other. These should be used as per the demands of the situation.

- (iii) **Non- Verbal Communication:** Non-verbal communication also forms a vital part of the process of communication. It cannot be ignored or eliminated totally from organizational communication. Most of our communication depends on a combination of verbal and non-verbal symbols. Non-verbal cues can affect the impact of verbal message (Birdswhistell, 1970). “Non-verbal communication affects decisions, shapes careers, and in many other ways moulds the quality of working life in organizations” (Fisher, 1999,p227). Actions often do speak louder than words. The importance of non-verbal behaviour in business and work settings cannot be under estimated. According to some studies, non-verbal signals carry more than sixty five

percent of all social meaning in interpersonal communication. The face alone is capable of producing 250, 000 expressions (Birdswhistell and Ray, 1970).

There is a rich variety of dimensions by which one transmits and receives meanings nonverbally. These dimensions are body language (bodily shape and appearance, posture, gestures, touching, facial expressions, eye contact and gaze), the voice (tune, pitch, rate of delivery and volume), and the environment (space, territory, architecture, interior, décor, time). It is a composite of symbols, gestures, and illustrations that accompany either the spoken or the written word (Koul, 2000). Managers and other employees can improve or enhance the effectiveness of their communication by developing understanding of non-verbal behavior and its interpretation and by acquiring non-verbal communication skills.

#### 1.2.4 Barriers to Organizational Communication

**George Bernard Shaw wrote, “The greatest problem with communication is the illusion that it has been accomplished.”**

**Communication is a complex process. In spite of the best intentions of sender and receiver to communicate, several barriers inhibit the effective exchange of information. Barriers to communication can be defined as obstacles that distort or block the flow of needed information. Barriers do not shut communication off within an organization, there is always communication. The question is one of communication quality—that is, whether the communication occurring in an organization will foster effective performance, satisfaction, and development. It is important for organizations to understand and act upon the barriers that block or distort an efficacious flow of communication (Nicholas, 1962). There are a number of barriers as identified by Fisher (1999) that can affect hierarchical flow and lateral flow of communication in the organization. These barriers are:**

- (a) **Barriers to Downward Communication:** Researchers Jablin, 1979; Mellinger, 1956 and Zalesnik, 1963 etc. have identified the following barriers to downward communication:
- **One-way Communication:** One-way message from superior to subordinates provides no opportunity for feedback.

- ***Differences in Values & Perceptions:*** Superiors tend to be committed to the total organization, subordinates to their department or sub-groups. Such differences in viewpoint can cause subordinates to filter out parts of a downward message.
  - ***Mistrust:*** Employees who mistrust a superior may misunderstand or block the relay of downward messages. Employees often feel their boss to be a more biased source of information than their immediate co-workers. Messages are differentially communicated. If the superior does not share cordial social or professional relationships with his subordinates, he may withhold information from their subordinates either deliberately or with this belief that the information is too complex to be understood by them. He may also delay sending messages.
  - ***The Psychic Conflicts of Leadership:*** The pressures that leaders experience often produce severe inner conflicts especially status anxiety and competition anxiety. Clearly, such inner turmoil can cause a manager to leave out or distort information when communicating with subordinates.
  - ***Two many levels of hierarchy:*** The information that travels through various layers of organizational structure often gets either distorted or filtered. One study showed that only 20% downward directed information ever reached the bottom organizational level. Findings in another study lowered the figure to a mere 5% (Nicholas, 1962). Information losses tend to be substantial to each level from top to bottom (Fischer, 1999).
- (b) **Barriers to Upward Communication:** Upward communication provides feedback to management in response to downward-directed messages and enhances acceptance of decisions by allowing subordinates to participate in the decision process. But there are numerous factors that can lead to poor upward communication as pointed out by many researchers (Rosen and Tesser, 1970; Downs and Conrad, 1982; Cameron, 1970; Ponder, 1968; Hage, 1971; Albaum, 1964 and Fisher, 1999).
- ***Attitudes of the subordinates:*** Subordinates are generally least willing to reveal unfavorable information when it reflects negatively on them and when they fear being the bearer of bad news.

- **Attitudes of the Superior:** Superiors may contribute to upward distortion by maintaining mistrustful and intimidating relationships with their subordinates.
  - **Characteristics of the Organization:** Highly formal organization structures and procedures may also block upward communication. For instance a formal, cautious, status conscious culture may limit open spontaneous expression in an organization and by comparison, an open, creative, debate filled culture may block communication needed to make decisions, schedules and policies.
- (c) **Barriers to Lateral Communication:** Lateral communication refers to exchanges between persons of equal organizational rank and this kind of interactions too is not always trouble free. Following are the identifiable causes for lateral communication problems as observed by (Ponder, 1968; Hage, 1971; Albaum 1964; Fisher, 1999).
- **Increased Specialization:** Increased specialization is a frequent problem for growing organization, where rapid growth in lateral communication can clog communication channels.
  - **Lack of management's recognition and reward:** Organizations generally encourage and reward vertical communication, but not lateral communication.
  - **Suppression of Differences:** Some people communicate less than candidly with their peers because they are afraid to express rivalry or disagreement.

In addition, organizations that operate across national boundaries encounter intercultural differences while dealing with clients, customers, suppliers, partners and they may face difficulties of intercultural communication. Similarly, gender-related barriers persist despite the increased acceptance of both men and women in virtually all occupations. The general attitude of men towards women remains that women lack aggression, independence, decisiveness and ambition. They feel women cannot handle many organizational roles and they view management in largely masculine terms (Powell, 1988). However, there is seen a favorable change in men's attitude towards women in recent years. Also, there are some other barriers that can hamper the smooth flow of communication within or outside organizations. These are

perceptual selectivity, evaluating things and people as good or bad, implicit assumptions, language differences and inadequate receiving of information.

These barriers, if left unattended, can lead to slow or ineffective communication, which in turn can act as roadblocks to organizational progress and adversely affect the organizational effectiveness.

### **1.3 Organizational Effectiveness: Concept and Measurement**

In today's highly competitive business world, organizations are facing a stiff and difficult competition in the global markets. "Today global firms present an ever moving target to the pack of followers. By the time the latter reaches the present stage of global standards, the leaders move to another level of competitiveness" (Jain, 2001,pp37-38). A company that excels is one that continually strives to identify and focus on factors critical to its customers and improve its processes in order to provide the highest quality product or service possible. So, "Organizational excellence is a continuous process and not a one time act either of investment or innovation." Today's consumers have come to expect quality as an essential dimension of the product of service they are purchasing. Effective organizations respond to their customer's expectations by focusing their companies' value chain on providing quality products and services for their customers. Companies that in the past surveyed customers only periodically are now doing so regularly. Studying the customers; defining target markets; and providing processes; products and services to support what the customers want are helping many companies redefine who they are and helping them reach new levels of success (Summers, 2005). The essence is captured by Arvind Mill's statement that "the biggest challenge during the period is non-stop renewal of strategy to stay ahead." Managers have a continuing responsibility to recognize environmental changes, to restructure available resources to modify technology and so forth.

In this context the study of effectiveness of organizations has acquired a significant role in modern industrial society, first because, energy, human resources, finance etc., are invested in industrial organizations everyday (Reddy et al, 2000). And secondly, interest in this topic has heightened by a growing appreciation of the vital role played by organizations in the life of people in the contemporary society. People have become dependent on organizations of various types for the satisfaction of their needs, and their need satisfaction directly depends on the degree of effectiveness of

organizations. As such, understanding of organizational effectiveness is of vital importance for the society at large. Concept of organizational effectiveness, however, is filled with obstacles regarding assessment, namely the criteria problems, criteria choices and the unique attributes of the organizations involved (Verma and Jain, 1996). It has been one of the most elusive research subjects since the early development of organization theory. Discussions pertaining to the field of organizational effectiveness have generated great amount of diversity among various theorists. Campbell (Prasad, 2006), commented, "Since an organization can be effective or ineffective on a number of different facets that may be relatively independent of one another, organizational effectiveness has no operational definition." In spite of these problems in defining organizational effectiveness and identifying criteria against which the degree of organizational effectiveness may be measured, conceptualization of organizational effectiveness depends on the way the organizations are visualized. Parson (1963) viewed organizations from four different perspectives. These are:

- **Organizations oriented to economic production.** These represent the common stereotype of organizations. Geared toward profit making, most are businesses that manufacture products and/or offer services for consumers. Economically self-sufficient, these organizations either survive or falter based on their ability to recover their expenses through the sale of their services or products.
- **Organizations oriented toward political goals.** Generally funded and empowered by local, state, and federal governments, these organizations include government offices, legislative bodies, police and military forces, and financial institutions such as banks (the latter creating and allocating power in a business economy). They are designed to generate and distribute power within society.
- **Organizations oriented to integration goals.** These are designed to mediate and resolve tension and discord among groups and individuals within society. Oriented toward helping solve social problems, these organizations include legal offices, the court system, public interest groups, consumer advocacy groups, and political parties.
- **Organizations oriented to pattern maintenance goals.** These organizations promote cultural and educational goals and development within society. In general, they grow from the norms of a particular society and include families,

schools, religious organizations and diverse volunteer organizations. Health care organizations also fit into this category, since theoretically they help preserve society by diminishing and managing health problems, and by making it possible for individuals to return to normal functioning within society.

There have been many attempts to define and measure the effectiveness of an organization. The following definitions of organizational effectiveness emphasize a different criterion for measuring organizational effectiveness.

Effectiveness of an organization is determined by its realization of its goals. (Etzioni, 1990). Kimberley (1979) stated that effectiveness of an organization is judged by the survival of the organization. An organization remains effective as long as it uses its resources in an efficient manner and continues to contribute to the large system. Yutchman and Seashore(Jain, 1967).

Organizational effectiveness as a central concept in organizational research has been analyzed from several angles Cameron and Whitton (Jain, 1983). One of the angles frequently considered is the assessment of organizational performance through tangible indicators reflecting the organization's successful transaction with the environment in exploiting scarce resources. According to Sayeed (1992) "Organizational performance has been measured by two distinctive approaches – the tangible indicator assessment and the perceptual method based on perceived productivity and perceived adaptability of the organization. Researchers for measuring effectiveness have used a number of indicators that can be grouped into three as given below:

- **Objective Indicators** - profit, production rate, etc. Bidani & Mitra, George, (Sayeed, 1992)
- **Subjective indicators** - employee satisfaction, quality of work life, job satisfaction, organizational climate etc. Ghosh & Ghosh, Khandwalla & Jain, (Sayeed, 1992)
- **Social indicators** - contribution to society, development of infrastructure, etc. Hage (Sayeed, 1980).

The research on organizational effectiveness has dwelt mainly on two distinctive approaches namely: objective Indicators and subjective indicators. Both these

approaches possess their own strengths and weaknesses. Objective or tangible indicators are quantifiable and provide a valid base for inter organizational comparison and evaluation over the time period (Sayeed, 1991). Mott (Sayeed, 1991), however, preferred measurement of organizational effectiveness on the basis of perceptual criteria, rated by the constituent members, and knowledgeable persons within and outside the organizations. Subjective indicators influence the behavior of the individuals in the organization who determine its survival, growth and performance and most importantly facilitate comparisons between organizations (Reddy and Gayatri, 2000). Further pointing out the advantages of subjective indicators over objective indicators, Sayeed (1992) observed that subjective indicators were relatively less susceptible to environmental variation as seen in the case of tangible or economic indicators. However according to Sayeed, “a researcher’s deeper understanding of uniquely defined organizational effectiveness parameters and caution play a dominant role in making the study more acceptable.”

Based on these approaches, researchers have offered a variety of models for examining organizational effectiveness. The most widely used models are the Goal model Price and Seashore (Jain, 1996); the System Resource model, Seashore & Yuchtman (Jain, 1996); the Internal Process/Maintenance model (Bennis, 1966); and the Legitimacy model Miles and Cameron (Jain, 1996). If the organization is conceived as a deliberate, rationale goal seeking ability system, then it is natural to argue that successful goal accomplishment is an appropriate measure of effectiveness (Perrow, 1970). Similarly, if one views organizations as political arenas, wherein competing interest groups vie for control over resources, then it logically follows that effectiveness should reflect the extent to which critical constituencies are satisfied with their involvement in the resource allocation process (Pfeffer, 1978). The System Resource model defines effectiveness, as the extent to which an organization acquires needed resources. Yet, Cameron (Jain, 1996) points out that some organizations are judged to be effective, even though they fail to acquire needed resources, whereas others are deemed ineffective even when resources are acquired in abundance. The Internal Processes model and the Legitimacy model also illustrates exceptions, organizations can be effective when Internal Processes are operating poorly, or when the organization does not achieve legitimacy with its public (Jain, 1996). None of these models captures the total meaning of effectiveness or in other words, the multi dimensionality of organizational effectiveness is a direct consequence of the multiple lenses with which organizations are approached.

Kilman and Herdle (1976) proposed framework for understanding for internal and external factors of effectiveness. While the internal aspects of effectiveness emphasize outcomes for employees concerning motivation and fulfillment, job design, reward systems, coordination, personnel training, developmental opportunities and the external aspects of effectiveness deal with societal demands and their satisfaction. As many people including the management, customers and suppliers, have a stake in an enterprise, the ultimate achievement of goals and profitability are the aims of satisfying these constituencies. By strengthening the internal as well as external aspects of effectiveness, the overall functioning of an organization can be tremendously improved.

Quinn and Roherberg (1983) presented two panels of experts with thirty possible criteria of organizational effectiveness to sort through them and construct a viable framework for assessing the effectiveness of an organization. The findings suggested that the criteria of organizational effectiveness could be sorted out according to three axes or value dimensions. The first value dimension is related to organizational focus from an internal, micro emphasis on the well-being and development of people in the organization to an external, macro emphasis on the well-being and development of the organization itself. The second value dimension is related to organizational structure, from an emphasis on stability to an emphasis on flexibility. The third value dimension is related to organizational means and ends, from an emphasis on important processes (planning and goal setting) to an emphasis on final outcomes (productivity). The result was a Competing Values Model of organizational effectiveness, the axes of which represent fundamental dilemmas in organizational design. They argued that balancing the tensions among each of these competing values create an effective organization.

However, none of these models captures the total meaning of effectiveness. There is little consensus over what constitutes a valid set of effectiveness criteria (Smith, 1997). Khandwalla (1985) observes that with so many criteria like achievement of goals, viability as a system, satisfaction of stockholders and contributing to socio-economic development of the society at the organizational level, the criteria at the individual level like absenteeism, employee turnover, motivation etc., it is unlikely that organizational effectiveness could be reduced to a single measure of indicator.

Organizational effectiveness is generally regarded as a dependent variable - an outcome of organization's contextual, structural, strategic, and process variables (Smith, 1997). Hence it is desirable to assess the relationship between multiple

determinants and multiple criteria of effectiveness simultaneously. Steers (1977) suggests that multivariate measures or techniques have distinct advantage over univariate measures in that they generally represent attempts to study in a more comprehensive fashion the major sets of variables involved in the effectiveness construct. Mckinsey (Bhattacharya, 1989) developed a holistic model called Mckinsey 7-S model which emphasizes on the relationship and balance between structure, strategy, systems, styles, skills, staff and super ordinate goals. With reference to the Indian organizations Jain (2001) conducted across industry, countrywide research titled Corporate Excellence which resulted in new dynamic 10 – P framework like people, political skills, purpose, productivity, partnership, plans, positioning, processes, performances and perspectives which went beyond the basic of the 7-S framework. Then there is the '3Es' framework measuring only non-financial measures like:

- Efficiency- concerned with the utilization of equipment and the efficiency of the workforce
- Economy- concerned with the optimum use of resources and
- Effectiveness—concerned with the achievement of outcomes.

This classification is particularly helpful in facilitating the generation of a host of suitable non-financial indicators. However in doing so it fails in the quest of organizational effectiveness in three important areas given below:

- It does not help in the measurement of qualitative non – financials
- It provides no indication of the variable weighting which would allow an integrated overall measure to be formulated and
- Its focus is undeniably internal, in circumstances where it is required to measure which also reflects competitiveness and external conditions.

The balanced scorecard provides an alternative that offers improvements. Kaplan and Norton (Smith, 1997) introduced a multivariate approach in a series of articles, which demands that the business be perceived both internally and externally. They suggest that the organizational effectiveness should be looked at from four perspectives that is:

- Financial- how do we look at the shareholder

- Customer—how does he perceive us
- Internal—identify areas that needs to excel
- Innovation and learning—how do we continue to improve and create value

A number of performance measures are generated to reflect each of these four perspectives. Smith (1997) identifies fifteen measures like cash flow; sales growth; market share; on time delivery; sales from new products; technological ranking; cycle time; unit cost; yield; productivity; time to develop; time to market; process time; product focus. Much of this information regarding these above mentioned measures is either already collected by the organization or it can be available from internal sources. The remaining information can be collected from customer surveys, benchmarking exercises and inter company comparisons.

Performance measures of this kind advanced in the scorecard is a possible means of overcoming short-termism, but it still gives us no clear indication of a weighting system that would enable the four perspectives to be combined in a satisfactory manner to yield organizational effectiveness. The question of comparability also remains unclear, because different market situations, product strategies and competitive environments will all require different scorecards (Smith, 1997).

Albeit the use of multiple evaluation criteria adds breath to any assessment attempt, it simultaneously opens the door to conflicting demands that management may not be able to satisfy. Some researchers such as Steers (1975); Cameron (1978); Cameron (1981); and Campbell (1973), found that the multiple criteria often conflict with each other adding to the confusion and chaos.

Despite the efforts of theorists from a variety of fields to define and measure organizational effectiveness, a theory of organizational effectiveness, which is universally applicable across organizations, has failed to emerge. According to Campbell (Hall,1991), there is no point in evaluating organizations either as effective or ineffective. This approach agrees with the urgings of Hannan and Freeman (Hall, 1991) that effectiveness may be used as a scientific concept. What leads to organizational effectiveness in one organization may not necessarily have validity in another organization's context, given its unique market, technology, competition related context and its values, styles and beliefs, or within an organization itself, it can be effective in some aspects of its myraid operations that it performs and less so

in others. Further corroborating the views of Hannan & Freeman, Kamlesh Jain (1996) opines that organizational effectiveness is a construct rather than a concept.

“Effectiveness is a paradox, with both consensus and conflict in various conceptions of effectiveness Cameron (Jain, 1996). It is well recognized that people belonging to the same organization can have contrasting and conflicting views about its effectiveness. According to Cameron and Whetten (Jain, 1996) Quinn and Cameron (Jain, 1996) and Miles and Cameron (Jain, 1996), an organization passes through various cycles of growth namely (a) entrepreneurial, (b) high growth, (c) matured growth, and the criteria used in evaluating an organization’s success at one stage of development may change dramatically at another stage of development. Under good economic conditions, the effectiveness of a business organization can be related to the level of capital investment. On the contrary, under poor economic conditions, capital liquidity can be the relevant criteria for the same and the high capital investment may change from an asset to a liability. Under these circumstances, such a criterion does not clearly represent a stable indicator of effectiveness.

Friedlander and Pickle (Verma and Jain, 1996), provide empirical support in their study that organizations found it difficult to fulfill simultaneously, the variety of demands made upon them. A no lay-off policy, for instance, may potentially fulfill employee needs, but might do at the cost of diminishing fulfillment of other social components. Miles and Cameron (Jain, 1996) further state that organizations can pursue one set of criteria in one domain of activities and a different, and possibly contradictory set of criteria, in another domain of activities. Cameron (Jain, 1996) found that even if the domains being assessed are identified, no organization can be effective in all its domains. The results are corroborated by the findings of a subsequent study by Cameron and Whetten (Jain, 1996).

Thus, the conflict that surrounds effectiveness leads to the realization that agreement about effectiveness is mainly an agreement to disagree. It can be said that the best criteria for assessing effectiveness are unknown and that effectiveness is a divergent problem, not easily quantifiable or verifiable and seems not to have a single solution. The more rigorously and precisely they are studied, the more the solutions tend to diverge. However, whatever the criteria for organizational effectiveness are adopted, the organizational analysis is incomplete unless the factors underlying effectiveness are identified. In general, various factors, which influence effectiveness, may be a source of ineffectiveness if not handled properly. More specifically, there are some factors, which cause ineffectiveness like failure of managers to act when they need

to; delay in taking actions; taking the wrong actions; lack of sufficient efforts; excessive efforts in relation to the need and wasted efforts.

These factors are controlled by managerial efforts in right direction. However, for effectiveness it is not sufficient that an organization is efficient which is mainly an internal condition; it should also interact properly with the environment. Schein (1991) has suggested that an organization can do this through the adaptive coping cycle, which consists of various activities, which enable the organization to cope with the dynamics of environment and these are sensing of change, imparting the relevant information, changing conversion process, stabilizing internal changes, exporting new outputs, and obtaining feedback. For successful coping, the organization requires communication system through which reliable and valid information may be passed.

#### **1.4 Significance of the Study**

India was late in entering the industrial age. In a purely agrarian system which was prevalent in India until well past the middle of the twentieth century the work force was widely dispersed. As against this the work force in an organised industrial system operates within limited confines. The interaction between supervisors and workers, between higher level managers and other employees and between the top level policy making management and the rest of the employees becomes more regular and closer. The west including USA and Japan, have had long years of industrialization behind them resulting in growth of organizations of varying sizes, operating nationally and internationally. Therefore, much of the research and resulting literature seeking to improve the efficiency and effectiveness of organizations, increasingly prompted by international (and now global) competition, has come from USA, Europe and Japan.

It was only during the late nineteen sixties that the significance of Communication for the efficiency and effectiveness of Organizations started to be recognized in India. With liberalization of Indian economy, the pressures exerted by WTO and GATTs and consequently increasing global presence of India in the international economic system and of non-Indian companies becoming players in the Indian economy, the

importance to ensure optimal efficiency and effectiveness of the various sectors of Indian economy became manifest.

Economic reforms, which have led to liberalization and globalization of Indian economy, have unleashed flood gates of consequential changes. One of the visible affect is the dramatic change in the composition of its workforce. Women and minorities, young and elderly, individuals with different professional, cultural, and religious affiliations, constitute the workforce today. This change in the composition of the work force is likely to be unidirectional, as more and more business is conducted in multicultural societies across the global village.

Secondly, the Indian culture is hierarchical and has a distance power culture. (Robert et al., 2000) Top-down decision making is the norm, and more often than not there is only a downward flow of information in an organization. Subordinates will rarely, if ever, disagree with their superiors, even though they may disagree with the nature of the decision or the manner of its implementation. However, the system of hierarchy which is very strong in the Indian culture finds itself being challenged by the notion of collaborative and team based organizations. The command-and-control style of traditional management structures are questioned by the new generation of employees who are increasingly becoming more demanding, expecting to be respected and valued as individuals in the workplace and is quite vocal about it. They refuse to follow the conventional employer – employee hierarchy; they are more likely to question the higher authorities in the organizations. They like open communication with their managers, want to make their own decisions, want to share their ideas and their enthusiasm, and not just be told what to do. (Schaefer, 1993; Offerman and Gowing, 1990; Loden and Rosner, 1991; Dean and Snell, 1991).

These cataclysmic changes have put organisations under tremendous pressure calling, among other things, to employ people: (a) who can best communicate in cross-cultural environment, and (b) reduce barriers to communication which impede the understanding of end-to-end workflow and better performance on strategic goals.

However, a corollary is that important issues involving information transmission from those without managerial power to those with such power have been insufficiently explored by the Indian scholars. In fact, communication as a research has raised its profile only recently. (Prasad, 2005). Thus there is need to study the role of communication effectiveness across Organizations and how it contributes towards organizational effectiveness

Over the past few years India has become one of the fastest growing economies .

Indian automobile sector is one of the major sectors of Indian economy which has grown rapidly over the last decade or so, which is considered for this study as a data input. The strong growth of the Indian automobile industry is backed by a vibrant auto component sector in India manufacturing the entire range of components required for various types of vehicles, with engine parts, drive transmission and steering systems accounting for half of the total output [23, 62]. The Indian Government, the Society of Indian Automobile Manufacturers (SIAM), and the Auto Components Manufacturers Association (ACMA) are highly optimistic about the future and the growth potential of the automobile and automobile components industry [60].

Automotive Industry in India has shown tremendous growth since 1991. The automobile sector comprises of all vehicles, including 2-3 wheelers, passenger cars and multi-utility vehicles, light and heavy commercial vehicles, and the allied engineering sector comprises largely of the auto components sector. The Automobile and allied Engineering Industry may alternatively be termed the Automotive Industry.

For nearly three decades after independence, the Indian Automobile Industry comprised of only two automobile companies Hindustan Motor and Fiat. The industry was licensed, highly regulated and government controlled during this period. The early 1980s saw the entry of a new player Maruti Suzuki in a joint venture of Suzuki Motor Corporation Japan and the Government of India.

The early 1990s witnessed several reforms initiated by the Indian Government aimed at encouraging private and foreign investment through delicensing, govt. decontrol and deregulation of various sectors of the economy. In June 1993, a new automobile policy was formulated allowing foreign investment in the automobile sector, abolition of licenses and a reduction in duties across the board to enable the sector to become

globally competitive. This resulted in a strong growth of the Indian Automotive Industry. Several new players like General Motors, Ford, Hyundai, Honda and several others entered the Indian auto market.

The data obtained from Society for Indian Automobile Manufacturers (SIAM, 2005) showed high growth in the production of total vehicles that increased from 4.2 million in 1998-99 to 7.3 million in 2003-04. In the financial year 1998-99 the Automobile Industry recorded a growth of 16.6%, 2001-02, 13% over financial year 2000-2001. Overall automobile sectors bagged a growth of 15.12% in 2003-04 year and in the year 2004-05 the industry registered a growth rate of 15.06 %. The contribution of the automotive industry to GDP has risen from 2.77% in 1992-93 to 4% in 2003-04. The Automobile Industry performance in the year 2004-05 showed encouraging results for all segments of the automobile industry. The passenger vehicles and utility vehicles posted a growth of 18% and 20% respectively in the year 2004-05 over the year 2003-04, while MPVs have grown at the rate of over 9%. The commercial vehicle segment clocked a growth rate of 22% M & Heavy Commercial Vehicles segment has grown by 23% whereas Light Commercial Vehicles grew by over 21%. The performance of the automobile industry in exports is also encouraging. Commercial vehicles exports increased to an all time high of touching 30, 000 growing at a rate of 72%. Passenger vehicle exports grew by 29% to 166, 413 units. The two wheelers also crossed three hundred thousands mark for the first time clocking around 366, 724 numbers and recorded a growth rate of plus 38% over the 2003-04 (Automobile Industry Statistics of India by Automobile Association of India, 2006). With increased production and capacity creation in the passenger sector, foreign countries may use India as an export hub.

Surge in automobile industry since the nineties has led to robust growth of the auto component sector in the country. Responding to emerging scenario, Indian auto component sector has shown great advances in recent years in terms of growth, spread, absorption of newer technologies and flexibility, despite multiplicity of technology platforms and low volumes. India's reasonably priced skilled workforce, large population of technology workers coupled with strengths gained by the country in IT and electronics all build up an environment for significant leap in component industry.

The evolution of the Indian Auto ancillary industry can be traced through three distinct phases, each marked by substantive developments.

**Phase-I (1980s)** Prior to the 1980s, the auto ancillary industry has been primarily dominated by the unorganized, low technology small-scale sector. The setting up of Maruti Suzuki in 1983 generated a need for high quality, reliable auto components that met the stringent emission standards set for Maruti cars. This led to the entry of several Japanese auto component majors like Sumitomo, Sona Koyo and Denso.

**Phase-II (1990s).** The auto component industry in India witnessed a transformation in the 1990s to high technology quality conscious industry catering to the requirements of the growing domestic automobile industry. Large players like Delphi, Robert Bosch etc. entered the market to tap the huge potential created by the strong domestic and export demands.

**Phase-III (2000 onwards).** The period has seen the emergence of two trends in the industry namely globalization of Indian Industries and outsourcing. Several leading India companies have acquired International auto component companies as part of the strategy to expand their markets globally and acquire new technology. Also global auto component companies like Delphi, Visteon, Cummins etc. consider India their manufacturing as well as research base and are sourcing components from India for their global production. India is emerging as one of the key auto components center in Asia and expected to play a significant role in the global automotive supply chain in the near future.

The Indian auto component industry produces a comprehensive range of components, which include engine parts, drive transmission and steering parts, suspension and braking parts, electrical parts, equipment and other parts. India auto component industry is wide (over 420 firms in the organized sector producing practically all components and more than 10, 000 firms in small unorganized sector, in tierized format) and has been one of the fastest growing segments of Indian automotive industry, growing by over 28%, in nominal terms, between 1995-98, in the year 2003-04, the sector has recorded a growth of 25.06% by recording a production of the order of Rs. 30, 640 crore as reported by Automotive Component Manufacturers Association (ACMA, 2005) During the year 2004-05, the output of the Auto Component Industry was around Rs. 36, 300 crore, The vital statistics of the component sector during 2002-03 and 2003-04 are as under:

**Table 1.1 The vital statistics of the component sector during 2002-03 and 2003-04**

Indicators	2002-03	2003-04
Investment	Rs. 12, 500 crore	Rs. 13, 400 crore
Output	Rs. 24, 500 crore	Rs. 30, 640 crore
Exports	Rs. 3, 800 crore	Rs. 4, 550 crore
Employment	5, 00, 000 persons	5, 00, 000 persons

On export front, auto component industry registered a growth of 29% in the year 2003-04 and 30% in the year 2004-05. The industry has been making rapid strides towards achievement of world-class Quality systems by imbibing ISO 900/ISO 14001/QS 9000/TS 16949 Quality Systems. The Indian auto component sector is being written up as the next industry after software, that has the potential of becoming globally competitive. There exists still a vast scope for the development of automotive industry in the country.

Since there is shift-taking place in the Indian economy and the environment is becoming more competitive, corporate India itself is ill prepared to face the challenges posed by this “this is a case of corporate domestic pygmies versus lean and mean international giants” (Khandwala, 2001). To survive and grow in such a hyper competitive environment “Indian firms need to change their strategic posture” (Kaul, 2000). As more and more organizations begin to operate internationally, their members face the need to become skillful in relationships that involve cross-cultural communication. \*In order to have more successful cross-cultural interactions, it is important to become more culturally literate i.e to identify basic core values of all cultures to provide a general understanding that we might apply to specific cultures .All culture have a way of organizing their time, space, social relationships, power, and reactions to uncertainty. (O’Rourke, 2008), Geert Hofstede(1997) identified five dimensions that describe how the national culture is organized:

- collectivism \ individualism
- uncertainty \avoidance
- long term\ short term orientation
- power distance
- masculinity\femininity

Later, Edward T.Hall (1990) added the concepts of polychromic and monochromic time to these dimensions.. Intercultural relations are important even within domestic organizational units, where culturally diverse workforces are becoming commonplace. In fact, Javidan and House(2001) have highlighted in their study the impact of culture on the leadership practices. This merging of differing organizational cultures, like people from the high context

culture confronting people from low context culture of different habits, values, and terminology, with the need to collaborate, increase our need to understand communication and how to make it more effective.

Therefore, it is time research studies are undertaken to determine in the Indian context, and within the context of our culture moorings, the culture of organizational effectiveness, taking into consideration therein the significance of communication which is key to the functioning of organizations. Given that the environment has changed, which in turn affects the employee communications effort, ways need to be explored for companies to organize the function so that it can support the overall mission of the firm. There is substantial evidence that the effective communication contributes significantly toward the effectiveness of an organization. Communication within organization could act as both catalyst and obstacles to change and which could encourage and inhibit organizational performance. Hence present study was taken to measure perceived effectiveness of organizational communication in relation to organizational effectiveness from the perspectives of personnel at three management levels in the Indian Automotive Industry.

### **1.5 Statement of the Problem**

The present study is an attempt to study the effectiveness of organizational communication with respect to its dimensions namely downward, upward and horizontal communication as perceived by the personnel working at three management levels in relation to organizational effectiveness. Thus a study entitled “A Study of Communication Effectiveness in Relation to Organizational Effectiveness in Automotive industry” was undertaken.

### **1.6 Objectives of the Study**

The objectives of the study were:

- To determine the nature of perceived effectiveness of organizational communication with respect to its three dimensions namely downward, upward and horizontal communication in the automotive industry of Punjab and Haryana.
- To identify barriers to perceived effectiveness of organizational communication in automotive industry of Punjab and Haryana
- To study the relationship between perceived organizational communication with respect to its dimensions namely downward, upward, and horizontal

communication and organizational effectiveness in automotive industry as perceived by personnel at three management levels.

- To study the differences between extreme groups on perceived effectiveness of organizational (top and bottom 27%) on perceived effectiveness of Organizational communication and its dimensions namely downward, upward and horizontal communication in automotive industry of Punjab and Haryana.
- To study the differences in the perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward, and horizontal communication in automotive industry of Punjab and Haryana states.
- To study the differences among the personnel at three management levels (Top, middle, and lower) regarding perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward, and horizontal communication in automotive industry.
- To study the interactional effect of state and management levels on perceived effectiveness of organizational communication and its dimensions namely downward, upward, and horizontal communication in the automotive industry.

### **1.7 Delimitations of the Study**

Following were the delimitations of the study:

- The sample for the study was limited to only three management levels in six large scale automotive firms, three each in Panjab and Haryana
- The study was restricted to only two states namely Panjab and Haryana, thus the findings of the study will be generalized in only these two states.
- The study focused only on the internal operational communication excluding external operational communication.
- Only large scale automotive industry has been studied.

### **Organization of the Chapters in the Report**

*A brief outline of each chapter is as follows:*

The first chapter of the report provides theoretical framework on communication effectiveness, organizational effectiveness, the significance of the problem and the objectives and delimitations of the study.

The second chapter provides review of the related literature on organizational communication which is further discussed under three headings namely (a) role of communication during crisis, (b) nature of communication, (c) modes of communication. Also a survey of related literature on organizational effectiveness is provided and discussed under three different groups like (a) development of model of organizational effectiveness evolving criteria for measuring organizational effectiveness, (b) factors affecting organizational effectiveness (c) a comparative studies of different types of organizations or perceptions of people working at different organizational levels like managers or skilled workers on organizational effectiveness. The second chapter also includes research studies that have explored effect, role or the relationship between organizational communication and organizational effectiveness. At the end of the chapter two, hypotheses for the study emerging from the research studies have been stated.

The third chapter deals with methods and procedures adopted for undertaking the study. It gives the details of research design, sample, tools used, data collection and the statistical techniques used.

The fourth chapter deals with analysis and interpretation of results under the main five headings namely (a) nature of distribution of scores, (b) nature of communication in Automotive Industry, (c) relationship between effectiveness of organizational communication and organizational effectiveness, (d) extreme group comparison and (e)  $2 \times 3$  Analysis of Variance.

Fifth chapter contains summary, major conclusions and suggestions. Suggestions for further research are also provided in this chapter for improving organizational communication in automotive industry.

References and annexure-1 are given at the end of the report.

## **CHAPTER 2**

### **REVIEW OF RELATED LITERATURE ON ORGANIZATIONAL COMMUNICATION AND ORGANIZATIONAL EFFECTIVENESS**

#### **2.1. Introduction**

This chapter presents a selective review of the literature on organizational communication and organizational effectiveness drawn from journals, books and from Internet. The objectives were to identify the nature of studies undertaken in the area of organizational communication and organizational effectiveness and the methodology and tools used and also the trends of findings. The chapter is divided in

two parts. The first part deals with the studies on organizational communication, and the second part relates to the studies on organizational effectiveness.

## **2.2 Review of Related Literature on Organizational Communication:**

Research on organizational communication is a recent phenomenon. Earlier” the vast literature on communication includes a variety of theoretical and speculative articles as well as reports of experiences of particular organizations. In this field, however, there is a dearth of sound, adequately planned, and carefully designed research” (Sexton, 1959). Though according to Drucker (1970) “Communication in management has been the central concern of students and practitioners in all institutions. - business, the military, public administration, hospital administration, and research administration. In no other area have intelligent men and women worked harder or with greater dedication than psychologists, human relating experts, managers, and management have worked on improving communication skills in our major institutions..... But however, despite the quantum of studies on communication, the field is still not well understood. Communication has proved as elusive as the unicorn.” Price and Muller(Hall,1991) noted that measurement of communication was a neglected topic. It was greatly patronized by other disciplines and treated as a sub-discipline.

Through the 1960s, 1970s, and 1980s, the research in the area expanded greatly in parallel with several other academic disciplines, looking at communication as more than an acceptance of mechanistic model to a study of the persistent, hegemonic and taken-for-granted ways in which we not only use communication to accomplish certain tasks within organizational settings but also how the organization in which we participate affect us (Redding, 1985). Endorsing the views of Redding (1985), Allen George (Mouly,1993)) in his bibliographic study on R&D management, tried to identify trends of interest in the field of management and technology over the last two decades. Organizational communication was identified as one of the five primary topics that have been studied in the literature. Lately, entrepreneurs, professional managers and business research have paid a great deal of attention to the issue of communication. A recurring theme of communication in various studies indicate the widespread interest in this topic,especially, during the past two decades a lot of research has been conducted in the field of organizational communication in the West and America, focusing on diverse issues related to communication. Modern literature on management and organizational behaviour as well as human resource management abound in studies on organizational communication. However, research on organizational communication in India is still at its earlier stage. Various studies conducted on organizational communication do not adequately represent the entire Indian Organizations. (Prasad, 2005).

Communication is generally perceived as a variable, which either affects or is affected by other variables considered important in understanding the organizational life. It is found that most of the studies on communication link it with other organizational variables. Only a few researchers have focused on the ongoing interactions between members of an organization in order to understand its communication practices (Mouly, 1993).

Review of literature on organizational communication has been discussed under following headings.

- Nature of organizational Communication
- Modes of Communication
- Role of Communication in Crisis

Studies highlight the nature of communication in the organizations, modes of communication used to transfer information and the impact of the channels or the media and role of the communication during organizational crisis. Studies have focused on various aspects of organizational communication including communication behaviour of managers, communication relationships, and motives for communicating with seniors, the influence of the content, direction and source of information on perceptions, ethics, communication and the role of informal communication in an organization.

### **2.2.1 Nature of Communication**

Brenner and Segband (1973) in their research on the communication practices of a major aerospace firm, which was in the process of evaluating its management development programme, indicating its concern with the quality of the company's communications, held an interview survey of executives, and a questionnaire survey of approximately 700 managers. Findings revealed that managers had all the information they required compared to supervisor or non-supervisory personnel when communication flew down in a vertical channel as it was filtered at each level. And in case of lateral communication, managers and non-supervisors secured timely information as compared to supervisors as the former carried more clout. The findings also showed that the subordinates who were given assignments, clear job instructions, and an easy access to their superior gave supervisors better feedback. And those who received direct assignments from their immediate supervisors felt they were better informed, had more time to complete assignments.

A study by Athanassiades (1973) investigated relationships between distortion of upward communication and needs of subordinates and aspects of organizational climate. Two samples

of thirty each were taken, one from a school within a large statewide university system characterized by relatively autonomous authority structure, and the other sample consisted of patrol men in the police department-and heteronomous organization. Findings of the study showed that distortion of upward communication was negatively related to level of security and positively related to achievement needs; also positively related to heteronomous organizational climate and negatively related to an autonomous climate.

The purpose of the study by Roberts and O'Reilly (1979) was to examine a set of variables possibly associated with the communication roles (isolates or participative) people occupy at work. A total of six discriminant function analysis were computed, three substantive networks (expertise, social and formal authority) for demographic and intrinsic characteristics and for response variables (satisfaction and perceived commitment). The results indicated that it was possible to differentiate individuals who occupied different communication roles on the basis of sets of intrinsic and response variable. Also some differences in communication role occupancy were similar across content-based networks. Isolates, who were not integrated into organizational networks, would deliberately withhold information in the expertise networks and showed low satisfaction with communication in general. They expressed greater tendency to use written and telephone modalities in social networks, (suggesting they might have communication links with outside the organization). Since they were characterized by less internal organizational communication than participants who reported greater communication activity and information redundancy inside the organization. Participants were found to be more satisfied with jobs, more committed to their organization, and higher performance. Alternately communication isolation was associated with negative affective and performance characteristics

Wanguri (1984) investigated managerial perceptions of downward task-relevant confidential information disclosure in the workplace by surveying 145 first and middle level managers from 19 public sector agencies in a southwestern state. The study investigated types of confidential job-related information, target persons, media, reasons, and settings for such information sharing; number of participants in these encounters; frequencies with which such disclosures occur, and the extent to which managers regret having given confidential task relevant information to their subordinates. In addition, this study involved the ordering of confidential information according to which types the managers reported they were most and least likely to share etc. Analysis of the data (based on rank ordering of Likelihood of giving various types of Confidential Task-Relevant Information to subordinates) indicated that managers were most likely to forecast information regarding structural changes within the organization; they are least likely to discuss peer-related information. Also, in descending

frequency, managers indicated they would most likely disclose this information in order to motivate the subordinate, to develop team spirit, to provide information when there was 'need-to-know', and to solicit subordinate input. Although considerable variance was observed in the actual reasons cited for such disclosures, these disclosures in the form of discreet and consistent communicative openness in the workplace seemed to be primarily designed to enhance superior-subordinate relationships

Exploring the identifiable dimensions of interpersonal communication between supervisor and subordinates and the relationships between those dimensions and two aspects of leadership, Penley and Hawkins (1985) collected the data from 122 personnel and support services areas of a large southern insurance company. Five content and behavior-oriented scales were developed to measure interpersonal communication function between supervisors and subordinates. The relationship between the five scales and ten leadership dimensions was also evaluated. The results showed that interpersonal communication between supervisors and subordinates was both relational and content-oriented. Although supervisors might consider their primary communication goals as informational or content-oriented, it was clear that relational messages were also important. Perceived consideration behaviour of the leader was associated with the relational level of communication. Even the leadership function of reducing uncertainty via initiating structure was associated with the relational level of communication. The relational level of communication, characterized by communication responsiveness, was of less importance in distinguishing high initiators of structures from low initiators of structures than was the content level of communication. The study thus integrates communication with an important aspect of organizational behavior-leadership.

The objectives of the study by Kirmeyer (1987), were (a) to determine the extent to which overt behavior predicted perceptions of social support and (b) to examine the simultaneous influence of the source, direction and content of interactions on perceptions. Participants were sixty police officers and civilian radio dispatchers from the personnel rosters of twelve police stations. Findings demonstrated that the perception of social support was linked to actual face-to-face interaction in the work place and the interaction patterns alter or were altered by the perceptions of interpersonal supportiveness. With regards to directionality of information flow it was found that vertical and lateral communications were each related to supportiveness, but in opposite direction. The category of communication that most enhanced or was enhanced by the perceived inter-personal atmosphere at work was subordinate initiated, one to one interaction with superiors about job responsibilities. Both, technical conversations on job responsibilities and conversations on topics like office

politics, family problems were significantly associated with perceived social support- but communication not focused on work was significantly related to support only when peers initiated it. Moreover, the relationships between non-work communication and social support depended on conversational length, indicating the degree of intimacy between the interactants.

In an exploratory research by Roy (1990), a total of hundred subjects working in management and senior supervisory cadres drawn from various functional units of one oil refinery, were taken to study different parameters of communication like trend of information flow, focal person's communication style and credibility and interpersonal relations. The study found that since the refinery where the study was conducted was typically an example of classical organization where communication was only a formalized system for relaying commands or instructions in a downward direction from managers to subordinates with no concern for upward feedback. Discrepancy between claimed transmissions and reception was evident at all the levels Significant intra level variability with regard to amount of information to be given to subordinates, signified lack of intra group cohesiveness and the tendency to hold back information in some people None of the groups received very high ratings from their subordinates about their credibility and communication style. Furthermore, senior officers were rated as highly formal, less informative, and not enough dynamic as communicators Data on interpersonal relations between people of different levels indicated significant incompatibility, which according to the researcher could be the reason for perceiving others as poor and ineffective communicators. In short lack of informal environment and existence of certain structural rigidity was affecting the communication system. Interpersonal distance between people and lack of concern for open sharing of information affected the smooth information flow between levels.

Scholars note that the most frequent conflicts in business ethics today center around issue of honesty in Communication (Shaw & Barry, 1992). The ethical component of professional communication is widely acknowledged by various scholars. The subject of the ethics of whistle blowing, in the research is a recent phenomenon.

The study by Barnett (1992), examined the relationship between selected organizational capitalistic and the perceived level of external whistle blowing by employees in 242 organizations. Data collected in a nation wide survey of Human Resource Executives were analyzed using analysis of variance. Results indicated that executives of large organizations perceived a higher level of employees-voiced concerns to the Equal Employment Opportunity Commission (CEEEOC) and Occupational Safety and Health Administration, as well as a

higher overall level of external whistle blowing. Executives of organizations with union employees perceived a higher level of employee voiced concerns to the EEOC, the media and a higher overall level of external whistle blowing. Executives of organizations in manufacturing industry group perceived a higher level of employee voiced concerns to the Occupational Safety and Health Administration

The purpose of the study by King III (1997) was to examine whistle blowing from a communication perspective, by focusing on two potentially interacting variables, relational closeness and severity of the wrongdoing. Hypothesizing that (a) severity of the wrongdoing will be positively related to the likelihood of reporting the wrong doing through internal channels and (b) the inter-personal closeness between the observer and the wrong doer will be related to the likelihood of reporting a wrong doing through inter channels. A field study was conducted using registered 261 nurses from a non-profit hospital. Nurses were preferred to other employees due to their strong professional norms, loyalty and clear channels for reporting unethical behavior. The results indicated relational closeness between an observer and wrongdoer that influenced the decision to report wrongdoing. The results further indicated that severity of the wrong doing influences whether or not an incident is reported. It also showed that respondents would report a friend only if the wrongdoing was serious. Respondents also indicated they would report the wrong doing to their immediate supervisors than to the administrators. Finally, the registered nurses were not fearful of organizational or coworker retaliation that might result from reporting the wrongdoing. This indicates that the more supportive the organizational climate the more confidence the managers had that if wrong doing was reported, organizational reprisals would be less likely to occur.

Ghoshal et.al (1994) investigated some of the organizational factors that influence industry-headquarters and inter-subsidiary communication in multinational companies. Data were collected from 164 senior managers working in 14 different national subsidiaries within the consumer electronics divisions of Matsushita, a Japanese company and 84 senior managers working in nine different national subsidiaries with in the same business of N.V. Philips, the Holland-based competitor of Matsushita. Findings of the study indicated that interpersonal relationships developed through lateral networking mechanisms such as joint work in teams, taskforces, and meetings had significant positive effects on the frequency of both subsidiary-headquarters and inter subsidiary communication.

Anderson (1995) tried to relate communication motives for communicating with superiors and co-workers with employee's satisfaction with superiors and jobs, as well as commitment. This study's findings provide evidence that non-task oriented communication motives serve a valuable function in organizations. Employees, who communicate with their superiors for

pleasure and not just to bide time (escape) reported high satisfaction with those superiors. In fact, the relationship between motives with superior satisfaction shows the importance of communication in satisfying needs in this superior/subordinate dyad. In this study, employees appear “cognitively and behaviorally” a part of their organizations. Their motives for communicating extend beyond the relationship to influence satisfaction with their job and a commitment to their companies. When it comes to motives for communicating with co-workers, employees’ needs differ. Employees communicate for closeness and intimacy (affection), which motives relate to job happiness, commitment, and satisfaction with bosses.

An ethnographic study by Guptan (1997) of Indian business organizations revealed that the relationship in communication that spread beyond the functional interaction provided a context for interaction which could be identified as one-off relationships, sustained-functional communication relationship, sustained traditional communication relationships, sustained non-traditional social communication relationships depending upon the different levels of involvement. These different levels of communication were not mutually exclusive, they may mesh into a matrix communication relationship with interaction between the people involved swinging from one to another as they related in communication. Further the study found that the professed communication relationships and the flow of communication was largely formal and function bound but the actual communication relationships that existed were very strongly informal and, in many cases, going beyond the recognized channels of the grapevine. Regarding traditionalism and communication in Indian organizations, there were different types and levels of communication relationships operating in organizations, depending on the intensity of involvement and the nature and bases of the interaction in the relationships. At the macro level in the organizations, traditionalism did not appear to play much of a significant role although not absent in the consciousness of the people. On the other hand, at the micro level, traditionalism played a major role in modulating the formation, maintenance and working of communication relationships between people. In terms of the ownership of organizations, the presence of traditionalism was variant only in a matter of degrees. While the multinational organization appeared to have less gaps between the professed communication relationships and the actual ones, the largest hiatus appeared to be in the case of government-owned public sector organizations. The family-owned private organizations were more overt in their expectations of traditionalism in their organizations and the use of it in their management and relationships.

Crampton et.al (1998) attempted to ascertain the extent to which managers were aware of (a) the condition associated with grapevine activity; (b) condition influencing when grapevine communication important to employees, (c) how the organizational climate and environment

affect grapevine activity. A 53 items questionnaire was developed to assess managers' perceptions of grapevine activity in the following areas: (d) Intensity and importance to the employees (e) ambiguity and lack of clarity to employees and (f) an insecure and threatening environment (g) lack of trust among employees towards formal communications and the same was mailed to a random sample of 416 public and private organizations with at least 50 employees drawn from top management, middle management, and lower management and supervisors. The study found that managers' positions within the organizations affected their perceptions of grapevine activity. The lower level managers' were more aware of conditions associated with grapevine activity and were also more likely to be involved with influencing how the grapevine functioned. Further the study highlighted that there was general consensus among managers that negative organizational conditions, such as lack of trust, seemed to encourage more grapevine activity in the absence of policies and procedures. Within the organizations surveyed reflected lack of attention to grapevine activity by the management and hence it was felt by the sample that the organizations should be doing more to keep their employees informed, with focus both on negative organizational conditions and formal organizational policies and procedures to deal with it.

The research by Gilsdorf (1998) explored how employees perceived and articulated organizational rules in describing specific communication problem incidents. The research elicited and analyzed 560 short narratives from MBA students describing an actual on-the-job communication problem caused by another organization member's weak understanding of how they communicate there. The analysis of the data showed that the organizations must work hard to ensure that employees knew pretty well how management wanted people to communicate in the organizations. There should be a clear cut policy stating communication expectations of the management and which should be conveyed to employees preferably through written means than the unwritten means and this can help head off twenty percent of the communication problems.

Susan (1999) in her study focused on the role of communication in a dispersed organization and explored its relationship to and impact upon the control, mediation, dissemination, and change of organization meaning over time. Data were collected during an ethnographic study of Ivy Ventures, a dispersed, entrepreneurial organization, and its sub-organizations, A theoretical framework was then developed using grounded theory building and a procedure developed by Dapkus (1985), in which data units were merged into broader thematic categories until a single theme emerged. Validation of the resulting categorization scheme and theoretical framework was achieved by involvement of informants and an independent

judging panel in coding and analyzing data, which was then integrated into the study's text. The resulting portrait of structures, processes, and communication within Ivy Ventures depicted an organization that was chaotic, disorderly and inefficient, but also effective and highly adaptive, which traditional theories would be ill suited to explain

Lu-&-Xin-An (2000), examined an under researched phenomenon in organizational communication that is "public secrets". This was a phenomenon in which people expressed their genuine feelings, understandings and knowledge about their organization in one context (e.g. informally with family friend and colleagues), but not in another context (e.g., formally at public conferences or with administrators). The subject organization for this study was a large public research institution in the Midwest. A survey instrument was designed to solicit respondents' perception of possible causes and consequences of public secrets, topics involved in public secrets, and strategies to alleviate the phenomenon of public secretes. Results from the study revealed that the communication phenomenon of public secrete did exist in the organizational setting, and that in the case of the subject organization, this phenomenon existed among the majority of organizational members. The findings demonstrated that "lack of interaction opportunities with administration" and "suggestions ignored" were among the top causes of public secrets which led to "bad communication climate" and "low morale. Topics that were most often avoided in public formal discussion were "Colleague performance" and "administration practices". Most effective strategies to alleviate the phenomenon of public secrets included "acknowledging suggestions with action" and "discussion of un-discussable initiated by administration". Regarding respondent's practice of public secrete, no significant differences were found between different groups in terms of sex, tenure, year of work experience, salary range.

Scarlata, (2001) identified the differences in perception of the employee's managers, and demographic groups about the organizational values of honesty, integrity, respect, trust responsibility, and the responses to selected information flow issues. A descriptive survey research was used. A questionnaire was distributed to the targeted population (2,778 employees and managers) of the Study Company. This research demonstrated that only some of the Study Company's communication processes were effective. Although some common perceptions existed within the organization, a large amount of misunderstanding and lack of trust was prevalent within all employees' levels.

Of the three traditional perspectives to study organizational communication; namely critical (focuses on the organization as a site of distorted communication), interpretive (see the

organization as a product of communication); and self-organizing (view the organization and communication as co-product), Carlon (2001) had chosen third perspective as a part of self-organizing system, how did organizational communicators chose their communication methods and what were the qualities necessary in these methods for effective, efficient and productive communication. The study proposed and demonstrated that there were two fundamental communication methods; established communication method that refers to formal methods that often follow well-established hierarchies. And the evolutionary methods that can be seen as informal communication methods that communicators develop and redevelop, as communication needs change. This method is not predesignated by the organization rather it is evolved on the spur of the moment. The study further proposed and demonstrated that the organizations success was dependent upon both the choice of correct communication methods and its productivity required quality relationships. The study found that the communication productivity was strongly correlated with the quality of relationship between communicators.

The primary objective of the study by Robson (2005) was to explore why and how senior managers failed to improve communication in their organization. A communication audit was conducted in a major European Health-Care Organization (HCO) undergoing significant internal re-organization. Findings of the study revealed that senior managers who over-worked were even less likely to have the time for reflection, followed by behavior change. Second, the absence of adequate upward communication might blind managers to the full nature of their problems, which in turn guided the search for solutions. The data suggested that attempting to cover up communication weaknesses by managers working even longer hours only had the effect of further disempowering people, and so accentuating rather than alleviating the communication problems.

### **2.2.2 Modes of Communication**

This section presents studies on different modes of communication like face-to-face, written communication and e-mail within an organization, highlighting the advantages and preferences of people for particular mode of communication.

A study by Suchan (1995) examined an important contextual factor, organizational metaphor & its impact on writer's perception of and approach toward their writing tasks like their context, document design and stylistic choices. Through participant observation, semi-structured interviews, and protocol analysis data was collected from a medium size organization that daily gathered and disseminated large amount

of information. The study focused primarily on information gatherers and secondly on report assessors. The study found that the predominant organization's metaphor that was embedded in the organization's guiding principles, in its training manuals, and reflected in its structure and reporting relationships was that of machine and mechanism: the organization projected and functioned like a machine: work was highly differentiated and functionally organized, formal decision-making power was centralized at the apex of the hierarchy, and information flew quickly through proper channels to maximize organization efficiency and worker's job responsibilities were specialized, precisely defined and fixed. Hence the writers of the organization saw themselves as communication ciphers or conducts, copiers, recorders, robots and described their communication activities in mechanistic terms.-neither augmenting nor interpreting information they elicited from their subjects. Further more this cipher role indicated that information gatherers and organization believed that language was clear, univocal and precise and meaning was fixed. This role was an outgrowth of the root organizational metaphor-the organization as a machine or mechanism. The conduit/cipher role helped explain Information Gatherers lack of concern or awareness of their reader, the limited amount of editing and revision they do, and their unconcern about and unwillingness to employ reader-oriented document design, stylistic, and organizational strategies. Furthermore, the Information Gatherers perceptions about writing and their writing habits were influenced by context factors such as the organization's structure, control system, and job design. These contexts factors were also affected by the root metaphor of the organization as a machine or mechanism.

Hansen (1995) explored how through a written documents, an individual could manage personal and organizational expectation, and claim and maintain authority in a corporate setting. Analyzing the communicative activities, which included both written, and oral communication activities and interpersonal interaction of a project team in a large corporation in the computer industry. He tested the relationship of written text and authority. The concept of authority, in this context, did not necessarily mean the right to direct the work of others but rather, to self-direct, to minimize unwelcome managerial interference, to maintain a position in the formal and informal hierarchy. He observed that an individual through written documents such as memos, status reports, or meeting minutes could project a persona of competence, or to demonstrate acceptance of shared values and all of this granted him authority. The analysis of the data revealed that written text were used in a number of specific ways to maintain group authority. Strategies followed and observed included (1) placing a

positive spin on negative events, (2) emotional distancing, (3) brevity, (4) demonstrating progress, (5) driving consensus, a positive outcome in the corporate value system. The team's continued authority to complete its project, and each member's authority as contributing employees of the corporation, were tied to the documents created by team members. These projected an image of team activities to a larger, sometimes unknown audience-an image of progress, of competence.

Sullivan (1995) argued that channel preferences would change depending on the communication activity, and in his research study proposed comparison to preferences for other communication channels, user preferences for e-mail would be affected by communication activity. The study focused on preferences for e-mail in an information intensive Florida House of Representatives. The total number of respondents was 135 representing directors, analysts, and secretaries. Respondents were asked if they used e-mail for each of a dozen communication tasks as follows: decision-making, personal messages, expressing opinions, drafting documents, answering questions, assigning tasks, exchanging information. It was clear from the analysis of data that both use and preferences for e-mail varied according to the type of communication activity in which one engaged and the staff member's position in the organizational hierarchy. In addition e-mail was generally used more for low social presence activities such as document delivery or sending information etc. than for high social presence activities such as decision-making. Thus the use of e-mail could be differentiated by the type of tasks undertaken. The study also did not support the channel richness theory that richer channels such as face-to-face or telephone would be preferred to the leaner channels of e-mail and paper text. When preference scores were averaged and ranked across channels, e-mail was clearly preferred over the telephone by the same difference that face-to-face was preferred over e-mail. This finding indicated that e-mail was either a richer channel than previous studies had reported or preferences for e-mail were related to other characteristics such as its efficiency or compatibility to job tasks.

Bavelas (1997) in his research paper explicated three features of face-to-face communication namely unrestricted verbal expression, meaningful non-verbal acts and instantaneous collaboration between speaker and listener and then used them to measure other communication systems: written text, television, and electronic-mail. Users of these other systems often spontaneously accommodated their limitations by inventing dialogue-like features. Finally, it was proposed that the design of new communication systems could benefit by using face-to-face dialogue as both a

standard and a source of solutions. And it was found that natural origins of communication were in face-to-face dialogue. Dialogue was not only first form of communication; it remained our most common in everyday life. Although other forms of communication offer new possibilities, but these possibilities could be enhanced if they draw on, rather than ignore, the attributes of face-to-face dialogue.

Claffey (1998) sought to determine the factors that contribute the media choices of receivers of organizational communication. An intranet-based survey was administered in a large multinational, financial services organization.. Theories tested included media richness theory and social influence theory. No support for either theory was found. With the inadequacy of these theories to explain media choices of receivers of organizational communication alternative explanations were explored. Open-ended questionnaire responses were analyzed and results from this procedure indicated that the media choices of receivers were due to certain characteristics of the media that were beyond what would be suggested by media richness theory. First and foremost, individuals also cited the ability of a media to facilitate future information dissemination and retrieval as important factors in their media selection as receivers of organizational information.

A number of studies have been under taken to highlight the impact of technology especially e-mail on organizational communication.

Liu-Cheng-Tao (1997) examined satisfaction with organizational communication and organization credibility as a result of Internet-based public relations communication with their public. Grunig's (1984) models of public relations (i.e. press agency or publicity, public information, two way asymmetry, and two-way symmetry) were applied as theoretical foundation for examining how organizations used the Internet to interact with their public. Also, several applicable Internet features were used to differentiate potential corporate Internet strategy as either a one-way or a two-way mode of communication with their public. These features included having a home page, e-mail, usenet or forum, and chat rooms. Two outcomes of corporate Internet usage were examined and measured: communication satisfaction and organizational credibility. Findings indicated that asymmetry (strategic persuasion) related strongly to the use of one-way Internet strategy, but weakly to the use of two-way Internet strategy. Symmetric practice (mutual understanding) was found to be related directly and positively to the use of two-way Internet strategy. The press agency or publicity (persuasion) practice was not found to be related directly to the use of one-way or two-way Internet strategy. Results also showed that the use of the two-way Internet strategy was related strongly to perceived communication satisfaction and related moderately to

organizational credibility. In contrast, the use of one-way Internet strategy was found to be related directly and positively only to perceived organizational credibility, not communication satisfaction.

Tidwell (1997) examined the relationship between anticipated interaction, communication channels, and communication goal in an attempt to more fully understand the ways in which these variables were related to each other and impact self-disclosure, question asking, impression development, and relational outcomes. To test the relationships between these variables individuals who were previously unacquainted with one another were asked to meet either face-to-face or via electronic mail and work to accomplish a task or social goal. Results revealed that computer-mediated interactants engaged in more direct uncertainty reduction behaviors. Further, increased use of direct strategies by mediated interactants resulted in increased judgments of conversational effectiveness. Face-to-face interactants were found to possess higher initial levels of attributional confidence and satisfaction relative to their partners but computer-mediated participants demonstrated significantly greater gains in attributional confidence over the course of the conversation. The interaction goals were found to impact both the quality and the quantity of the questions and self-disclosures. Participants with a social goal activity engaged in more peripheral questions and disclosures but conversed over a broad range of topics. Task interactants stayed focused on the task activity but offered more intimate questions and self-disclosures. The findings indicate that anticipated future interaction was important in both single and mixed channel settings as a means of encouraging impression formation, acquaintanceship behavior, and positive socio-relational outcomes. Furthermore, the findings demonstrated support for the hyper personal perspective of relationship development in computer-mediated settings. Finally, this investigation extends acquaintanceship beyond the realm of social settings to those involving tasks.

Sturgill & Foster (1998) investigated some of the effects of telecommuting on organizational communication satisfaction, work group satisfaction and work group cohesion. Participants from 15 organizations who either telecommuted or worked in a group with telecommuters completed surveys examining work arrangements, use of technology and the satisfaction and cohesion variables. Multiple regression analysis was used to examine the contributions of the time away from the office, media use, organization support and experience as a telecommuter to the satisfaction and cohesion variables. In general, it was found that employees who felt their organizations supported telecommuting were more satisfied. Spending work time at the office seemed to improve organizational communication. However, the richness of the media that participants used to communicate did not have a direct relationship. Subsequent examination of the data suggested that there might be a curvilinear relationship between both

time and the office and richness of media and satisfaction with organizational communication. Overall, these results implied that the relationship between technology and organizational communication was more complex than had been previously theorized.

Wiesenfeld (1998) explored the role that information technologies play in the creation and maintenance of a common identity among decoupled organization members. The study proposed that virtual status would moderate the relationship between mode of communication and identification. The study was conducted in sales division of a large international computer company that had recently implemented mandatory virtual work program, both for cost reduction and strategic purpose. A total of 320 employees were surveyed and most employees were using a combination of different work modes in a given week.. The results provided support for the proposition that communication creates identification, moderated by employees' virtual status. Specifically although electronic communication was not a significant predictor of organizational identification across levels of virtual status, results suggested that electronic communication was a critical predictor of identification among virtual employees. The lack of significant results for face-to-face communication, either as a main effect determining identification or interaction with work mode, had implications for the decentralization of entire organization. In particular, the centralized office and activities that used to be conducted there might no longer have same level of importance. These results suggested that impact of virtual initiatives might be felt both by sectors of the organization in which workers were dispersed and among those who remained in traditional centralized offices.

Minsky (1999) investigated the role of individual differences in the choice and use of e-mail. The sample consisted of 163 faculty members from the College of Arts and Sciences in a large State university. To ascertain an individual's and general level of e-mail use, Ku's (1996) scale of social and non-social uses of electronic messaging systems in organizations was adopted. Correlation matrices to determine if any of the variables of interest were significantly correlated with one another were created: Analysis of the correlation matrix showed that people who perceived e-mail as beneficial and easy to learn to use were more likely to use e-mail and hence broadly speaking rationality played a positive role in the decision to use e-mail. Specifically, favorable attitudes toward innovation and change, computer self-efficacy, and computer experience directly and positively influenced e-mail use, and in addition, attitudes towards innovation and change influenced the relationship between social context and e-mail selection and use.

Nicovich, (1999) in his study addressed a single driving issue: how did people react to, and interacted with, dynamic interactive communication situations. To test the question did the ability to interact with the communications scenario had an impact on the attitudes that were formed as a result of the event, computer simulations were decided upon. To empirically test these issues, subjects were tested under different computer mediated conditions. The results of the study indicated that the conditional perceptions of vividness, interactivity and one's ability to empathize, impacted the level of perceived presence experienced. Additionally, the degree of perceived felt presence experienced impacts on one's involvement with the task presented and the attitudes formed toward the experience and toward future behavior.

Tourchon (2000) examined the impact of computer-mediated communication towards organizational effectiveness in real setting in Malaysian context. This study was conducted on several branches of Malaysian Agricultural Bank (Bank Pertanian Malaysia or BPM) in the State of Sarawak, Malaysia. The main objective was to evaluate the impact of IBM AS400, a computer mediate communication system, used by the bank for its business transactions, in order to determine the effects of the system's features on employees' behavior related to their job performance. In addition, the study also intended to determine if there were relationships between the various independent variables (system design) and the dependent variables (employees' motivation, job satisfaction and workload). The sample of the study consisted of employees from various departments of the bank. Data and information was collected through interviews and questionnaires. The initial findings revealed that the score of suitability of system's features to users was quite high. The findings also revealed that the usage of the system helped reduce the workload of the Bank employees.

Galín (2000), investigated the impact of e-mail use on an organization, AVSC International which was an internationally dispersed organization, and began implementing an Internet-based communication structure approximately six years ago. The concept of use was scrutinized along three lines: motivators of use, actual use, and by-products of usage patterns. Both an online survey and online follow-up interviews were utilized to collect information on staff experience using e-mail and other Internet-based tools. Analysis indicated that staff at AVSC International, both those based in New York and those based in one of the agency field offices scattered around the world, used e-mail on a daily basis for connection, communication, and information transmission. Several variables combined to produce the usage patterns, which emerged: the speed of connection, the ease of connection/information transmission, agency guidelines encouraging daily e-mail access, the agency value of inclusion, etc. Six potential by-products of usage patterns were discussed in these explication: amount of time spent working, communication load, stress related to communication load,

changing communication practices, the cost of communication, and staff feelings toward the agency. Results most consistently indicated a contrast in the experience of staff based in New York City versus staff based in the numerous field offices of the organization especially as pertained to how Internet-based technologies were utilized. While Internet based technologies had succeeded in facilitating and maintaining predetermined connections between staff (members of a team), there had been little to no connections forged between separate field offices within this system.

Broaderick(2001) examined employee communications in four different corporations namely Florida Today, The Brevard Zoo, Nokia Mobile Phones, Inc., and Solunet in Melbourne. The paper examined the sources of information for employees--how employees at different levels received information and whether these were informal or formal channels of communication, the technology used for disseminating this information, relationship that such information induced among employees. Findings of the study showed that the structure of a company, its corporate culture and organizational environment influenced the modes of communication used by employees. Word of mouth and e-mail were the most frequent answers chosen by respondents regarding how they received information. Company publications were viewed as an integral part of communication in organizations. But an overwhelming majority of employees revealed that they received most of their information from employees, not publications. Technology was also a factor that was evaluated It was evident that the structure of the organization determined whether or not e-mail was used most. The research also determined that even though some companies were utilizing technology more, there was no substitute for word of mouth communication. Personal relationships would continue influencing how people thought and felt about the workplace. It was extremely important in employee satisfaction levels.

### **2.2.3 Role of Organizational Communication in Crisis:**

A number of research studies such as by Monippaly(2003); Noone(1996); Stroh(2002); Adams(1995); and Papadakis (2005) etc. have reported the nature and role of communication during crisis which could occur during change, merger or at the time of retrenchment in the organizations.

Adams (1995) addressed the problem of effective communication with internal audiences in organizations involved in crises. In this study, descriptions of 157 crises were content analyzed for crisis type, initial and ongoing communication channels and sources, and respondent preferences for communication strategies. The respondents' crises were sorted into eleven categories: downsizing/layoffs, accident/violence, takeover/sale of the company, misconduct, strike, process failure

etc. A clear pattern of employee preferences for communication emerged from the data. Subjects expressed a strong preference for receiving timely information from their direct supervisors, but reported they frequently received first and ongoing information about an organizational crisis from some other source. This suggests that organizational crisis communication plans should be expanded to include appropriate attention to communication methods and messages for internal stakeholders.

Noone (1996) took up a case study of the University of Maryland for the purpose of analyzing the communication patterns that may have been responsible for the success of University of Maryland downsizing process. On campus interviews with key persons were conducted to identify the flow of communication through the College of University of Maryland authority hierarchy. The findings of this study indicated that the communication, that appeared to have had a positive effect on the success of the process at the University of Maryland, was manifested at the decision making level and between and among the decision making bodies that were in operation on the campus of College of University of Maryland. The findings indicated that the dominant authority structure and related decision making process at College of University of Maryland was a collegial structure. This accounted for the flow of communication, formal and informal, that achieved a consensus of the campus that supported the downsizing plan.

Smiths et al (2001) measured in three different organizations a large, nonprofit customer servicing, a nationally operating utilities company, and a commercial organization, which had recently undergone merger. Specifically, the results showed that employee communication augmented external prestige and helped to explain organizational identification. Communication climate played a central role mediating the impact on organizational identification of the content of compunction. The relative impacts of employee communication and perceived external prestige on organizational identification differed between organizations; this was attributed to differences in reputation of the companies.

An experimental study by Stroh (2002) was conducted to determine the relationship between the communication management strategy followed during change in an organization and the resulting relationship-and behavioral effects of the employees. The two different change management strategies had a definite effect on the relationship that employees had with the organization. It was found that a higher degree of participation during high change in organizations would lead to significantly more positive overall relationships between an organization and its internal public

than with lower degrees of participation and a planned approach. It further indicated strong correlation/relationships between the strategy followed during change and the resulting projected relationships with internal stakeholders of the organizations. The findings support a strong participative two-way communication strategy to be followed when organizations go through major change processes.

Monippally (2003), in his research paper, recommends organizations to adopt a macro communication strategy (consisting of mutually reinforcing verbal and non-verbal components of communication) to micro communication strategy (that depends largely on the verbal component of communicating process) in the event of downsizing as it helps in softening the blow. Three Indian Companies of different sizes - Pennar Industries Limited, Pennar Investor Services Private Ltd., and Everest limited, which went through the process of downsizing were studied, it was found that the adoption of a macro communication strategy helped both Pennar and PISPL downsize successfully as compared to Everest limited, which faced difficulty in reducing the workforce. The former maintained transparency about the working of the company. The top man's self-imposed cuts in perquisites and basic entitlement strengthened the credibility of his assertion and reinforced his message non-verbally that the company was going through economic crisis. The employees in both the companies Pennar and PISPL felt the termination of their employment was inevitable and fair hence left the companies without demanding monetary compensation. On the other hand, Everest had difficulty in implementing its plan for layoff despite the fact that it offered an attractive economic package to its employees whose services were terminated. The company relied on a micro communication strategy that relied on logic and data and failed to convince the employees why the company was forced to take up the decision of retrenchment and it took the company three to four years to downsize mainly because of litigation.

A pilot study was undertaken by Daly et al (2003) to gain an insight into what a section of senior executives in the Northern Ireland companies thought about the role of internal communication in the successful implementation of change management programme. The findings showed that the sample group was emphatic about the link between internal communications and change management. However their respective management styles and corporate philosophies did impinge upon how change was communicated internally. Further the efficacy of both change management programmes and internal communication was dependent on a host of common and interdependent variables such as corporate size and structure,

corporate and national cultures, trust, corporate politics, ownership and linking internal communication and change management, which frustrated or facilitated the change process were the ones which impacted on the effectiveness of communication internally.

Papadakis (2005) investigated what actually influenced a merger and acquisitions (M&As) successful implementation. It explored the influence of a range of factors including external corporate environment, company characteristics, communication program and the characteristics of the M&A itself. Second, it was based on a comparatively large sample of 72 in-depth studied M&As which took place in Greece. Findings indicated that the existence of a communication program was among the most influential factors in the successful implementation of M&A. Results showed that the appropriate communication strategy was the area that could significantly improve the odds of success in post-merger integration.

On the basis of studies discussed in this section, it can be concluded that researchers have explored diverse issues related to organizational communication. Communication plays an important role in the organization especially during crisis and helps the organization to successfully implement change. Integration of technology at workplace has impacted organizational communication. However, the use of technology mediated communication depends on the individual factors such as rationality or attitude towards change and self efficacy, corporate culture and organizational environment also influence the modes of communication. Characteristics of media also affect the use or preference for a particular media. As is evident, limited number of studies has been conducted in Indian context as compared to number of studies conducted in the West and, America. Hence, there is need to focus on this area.

### **2.3 Organizational Effectiveness: Review of Related Literature**

The review of related literature on organizational effectiveness comprises of studies related to development of model of organizational effectiveness evolving criteria for measuring organizational effectiveness, factors affecting organizational effectiveness: organizational structure; leadership, communication; technology; planning; organizational culture; job satisfaction and human resource outcome and a comparative studies of different types of organizations or perceptions of people working at different organizational levels like managers or skilled workers on organizational effectiveness. These are discussed below:

A few studies have been undertaken to develop a model or building a rationale for measuring or improving organizational effectiveness.

An exploratory study by Smith and Gannon (1987) examined how the criteria for organizational effectiveness vary with different stages of growth and development. In this study, the effectiveness criteria like control, leadership, communication, planning, perspectives on change, knowing the business, market orientation, innovation and risk taking employed by entrepreneurs by small start up firms in their initial stages of growth were compared to those of employed by professional managers from both high growth firms and more mature firms experiencing decline. Thirty-one entrepreneurs and professional managers from 27 firms participated in this study. The major conclusion drawn was that the criteria for organizational effectiveness were likely to change with different stages of organizational growth and development. Three effectiveness profiles emerged for the three stages of firm growth. Of the three entrepreneurial firms had the narrowest perspective emphasizing leadership, planning and knowing the business. In contrast professional managers from high growth and mature organizations used a broader set of criteria like communication, leadership, knowing business being innovative which probably reflected the more complex nature of their organization.

A multivariate model of organizational effectiveness was examined by Srivastava and Ghadially (1996) taking organizational, structure, communication process and locus of control of executives as antecedent variables. The study tested some aspects of contingency theory of organizational performance in Indian context. Two criteria namely organizational adaptability and organizational performance were taken to measure effectiveness of organizations. The findings of the present study indicate that organizational structure; communication process and locus of control are significant predictors of organizational adaptability and organizational performance in case of large organizations. However, in case of small organizations these variables cannot predict the adaptability and performance of the organization. It implies that structure-performance relationship is influenced by the size of the organizations in Indian context and contingency view of organizational performance is applicable to only large organizations.

Pritchard & Armistead (1999) conducted a survey and case study research into the understanding and application of BPM (Business Process Management) in European companies. The sample was drawn on a postal survey conducted with quality

directors and business process managers in organizations who were members of the European Foundation for Quality Management (EFGM) and case studies in a number of organizations like Rank Xerox, British Telecom, TNT etc., regarded as being leaders in the adoption of BPM. The results highlighted that eighty two percent of respondents cited BPM as being important in achieving business excellence, that BPM was seen as a holistic approach, integrating the process perspective into all aspects of the business employed in commitment to managing by process in the long term.

Maltz (2001) developed a new model for assessing organizational effectiveness on the basis of survey of 180 respondents. Descriptive statistics were deployed to study whether different organizational types (e.g high technology vs low technology; small or large; speed of life cycle) suggested different success measure. The multidimensional framework was developed by studying five relevant research streams: corporate entrepreneurship, strategy, process, and product development, marketing and economic finance. Multidimensional model of organizational effectiveness which included financial, market \ customers, process, people development and future was developed. The research suggested that organizational success was multidimensional and could not be defined by a limited number of variables.

The research by Nobbie (2005) compared the performance of non-profit organizations with policy governance organizations. A stratified sample of 290 chief executive officers from 1500 non-profit organizations and CEOs of National Center for Non-profit Boards formed the control group and other sample consisted of 234 board members of 32 policy governance organizations. Four dimensions of organizational effectiveness (goal achievement, resource acquisition, internal processes and CEO job satisfactions) were assessed in these samples. The use of control group allowed examination of whether measures of effectiveness from policy governance organizations varied significantly in these four areas from other organization where governance practices were undetermined, or from organizations that had participated in governance development. The findings revealed that of thirty-two members of policy governance organizations consistently and to a high degree practiced Policy Governance behavior more than traditional board behaviors. However, board members, CEOs, and to a lesser extent, board chairpersons perceived significant improvement in the board's performance after adoption of the policy governance model. . However, there was little support that policy governance

model yielded superior results in terms of board performance and organizational effectiveness.

The purpose of the study by Shilbury and Moore (2006) was to apply the competing values approach of organizational effectiveness to a sample of non-profit Australian national Olympic Sporting Organizations (NOSOs). The study was to determine the psychometric properties of the subscales developed within each of the four quadrants composing the CVA. Two hundred eighty nine constituents from ten NOSOs participated in this study. Initial factor analysis resulted in six of the eight theoretically derived cells in the CVA each yielding one reliable factor. These were Flexibility, Resources, Planning, Productivity, Availability of Information, and Stability. The other two cells, Skilled Workforce and Cohesive Workforce, each produced a two- factor structure. Further a confirmatory factor analysis was conducted to understand the relationship between these manifest factors, and organizational effectiveness, which revealed that the rational- goal model, comprising Productivity and Planning, was the critical determinant of effectiveness in NOSOs.

A number of studies have focused on factors contributing or related to organizational effectiveness.

Reif et al (1973) in his study measured quantitatively member perceptions of the formal and the informal organizations and its impact on organizational effectiveness. Three hundred forty one managers and white-collar employees of various organizations, like government, military, health services, education, business represented the sample. The semantic differential technique was used to measure respondents' perceptions along two independent dimensions of interest-evaluative to measure if organizational components were valuable and beneficial to the individual in satisfying his needs and the potency dimension to measure perceptions of the strength or weakness of the formal and the informal organizations in affecting individual behavior. The results showed that along the potency dimensions formal organization was perceived to be significantly stronger and more influential than the informal and along the evaluative dimension, managerial and white-collar perceptions of the formal organizations were significantly more positive than for the informal organization. Respondents perceived that the formal organization was more valuable in satisfying their needs.

Sayeed (1991) made an attempt to examine the degrees of relationship between internally assessed organizational health dimensions such as adaptiveness and

organizational excellence and perceived measure of organizational effectiveness in a multivariate framework, besides analyzing the moderating effect of job/organizational demographics on organizational health and effectiveness relationships. Data was collected from seventy-two employees of a medium size manufacturing organization. The results showed that organizational health dimensions, such as adaptiveness and organizational excellence, contributed significantly to organizational effectiveness measures, while problem solving adequacy and innovativeness related negatively with some facets of productivity and adaptability dimensions. The overall analysis revealed significant relationship with productivity dimension of effectiveness, whereas the relationship with adaptability and the composite measure of effectiveness was insignificant. Although moderating effects of individual differences were found to be statistically insignificant, the findings suggested a meager influence of individual differences.

.In a case study Chien (1992) explored the important issues of the factors that affect organizational effectiveness. The research method adopted was the case study of the qualitative research and the data was collected through in depth interviews of 30 employees, including ten managers and twenty workers. An analysis of the research data showed that there were seven factors affecting organizational effectiveness namely: (a) personal characteristics, (b) leadership styles, (c) organizational culture, (d) working environment, (e) model of organizational operation, (f) flexibility and, (g) organizational commitment.

A study by Wilhelm (1993) investigated the discrepancies or conflict between the attributions of leaders and members as a function of Leader-Member-exchange quality and explored the relation between attributional conflict and subordinate job satisfaction, perceptions of equity, and turn over intentions. Data for the study were provided by 141 supervisor-subordinate dyads from the managerial ranks of a large manufacturing organization. Findings suggested that attribution discrepancies were due, in part; to the tendency of leaders to make more favorable attributions for subordinates reporting higher LMX quality than for subordinates reporting lower LMX quality. Results also revealed that, while attributional conflict was negatively related to subordinate satisfaction and perceptions of equity and positively related to turnover intentions, attributional conflict did not predict subordinate work outcomes when the effects of LMX quality were controlled.

Hariharan and Ganeshan (1994) examined the nature and extent of association between the perceptions about the different factors of organizational effectiveness

like job satisfaction, morale, industrial relation, quality of work life, organizational climate and organizational health and participation. They also identified factors of organizational effectiveness, which could help to motivate the participation. The study was undertaken in the public textile mills under the control of National Textile Corporation. The sample of Two hundred and fifty employees across the various levels of hierarchy through random sampling was taken. The findings showed the association between the perceptions about the different factors of organizational effectiveness and participation in general was positive. In case of skilled and semi-skilled workers, the relationship of job satisfaction, morale, industrial relations and with work life with organizational effectiveness were found to be highly significant. The relationship between organizational communication and health of the organization was however found to be negative. But, in case of supervisors and executives, the relationships among the variables organizational communication, organizational health, and participation were found to be strong.

Roberts (1996) reviewed and analyzed the variables derived from both external and internal environments, which directly had an impact on the effectiveness of the California Environmental Protection Agency's (Cal.EPA) processes and the effect of these variables on the segments of the organization throughout the tests of integration, disintegration and reintegration. The research findings suggested that, despite the rational design of organizational structures and functions, under influences from the surrounding environment, some degree of underlying dysfunctional influences had occurred within the organization. The study suggested that the sub groups might exhibit receptivity and adaptability towards changes to avoid confrontational situations while continuing to maintain their individual and group authenticity. This behavior of collaboration in disguise would gradually become detrimental to the organization's operational goal because this practice weakened the organization's internal components, and it also revealed organizational tendencies to shift away from the espoused mission and values.

The study by Verma and Jain (1996) aimed at investigating the relationship between leadership styles of higher and middle level managers on organizational effectiveness. It also sought to examine the influence of individual-centered variables of age, education and length of experience on organizational efficiency. Ninety-two executives representing two levels of managerial hierarchy, the higher and the middle, constituted the sample for the study drawn from twenty-five large public limited companies from the private corporate sector in India. The results of the

research revealed that at both levels, participative style was not correlated with organizational effectiveness. At middle level, bureaucratic and nurturant leadership style were not conducive to organizational effectiveness. Whereas, at higher level, bureaucratic leadership style was highly correlated with one's own efficiency and that the nurturant and bureaucratic style were significantly correlated with the effectiveness of the superior in terms of his various abilities. Further the multiple regression analysis revealed that the most potent and significant predictors of organizational effectiveness were the authoritarians and the task oriented, leadership styles at the higher level.

The primary purpose of this study by Richard(1997) was to test whether or not Diversity and 'Diversity Practices' had a significant impact on organizational effectiveness in isolation and/or when aligned with business strategy. The major findings of this dissertation were that some diversity practices had utility in increasing the level of diversity in organizations while others were more useful in increasing organizational effectiveness supporting universalistic notions. In addition, many of these diversity practices had effect on organizational effectiveness and were contingently related to business strategy supporting contingency predictions. Finally, it was also found that the level of diversity, particularly gender diversity, had a positive impact on performance only when properly aligned with business strategy supporting contingency notions.

Impact of Information technology on organizational effectiveness was examined by Banwet et al (1999) involving 18 large organizations having successful information system. The organizations were selected from manufacturing, service and consultancy sectors on the basis of being strategically independent, profit seeking, successful in-house, and Information system open to investigations and having a large size. The respondents represented various levels in organizations hierarchy. The results indicated that the IT had a strong impact on organizational effectiveness, which was measured by organization's goal attainment, function, human resource function, adaptive and integrative function. It further revealed that the impact of Information Technology on organizational effectiveness was instrumental to the successful implementation and usage of such systems in the organizations.

Vandenberg (1999) examined the perspective on employee involvement. At the core of this perspective were four mutually reinforcing attributes; powers, information, reward and knowledge and to the degree in which these attributes were spread throughout the organization and were not only the privilege of a few individuals, the organization could be said to be effective. It was found the involvement variable

possessed both a direct influence upon organizational effectiveness and an indirect influence through its impact on employee morale. It also supported the notion that the high involvement attributes did not exist in a vacuum but were themselves a function of an array of reinforcing business practices.

Bhal and Ansari (2000) compared the average leadership style approach with the vertical dyadic linkage approach to leadership and examined the two as simultaneous processes. The study incorporated the five-item version of leader member exchange scale of Green et. al and LMX scale as a multi dimensional tool with the potential to test the reciprocity in a leader member dyad. The analysis of the findings was incisive and revealing that focused on the leader-member dyad and the quality of interaction as the key variable that formed the basis of unit differentiation. The major conclusions, arrived at were: behaviors directly related to the leadership situations were instrumental in determining the quality of exchange in dyads. The use of both upward and downward influence strategies was predicted by the quality of exchange as a measure of leadership. The findings also revealed that quality of exchange was not a good predictor of hard outcome variables like intent to leave, while, other outcome variables for the members do get influenced by the quality of leader-member exchange.

Reddy and Gayatri (2000) examined the differences between the large and small organizations in terms of structure, communication and effectiveness.. For this purpose six textile organizations were selected and 235 respondents were chosen from workers and supervisory levels who were directly involved in the line of production. The results revealed that large organizations with higher levels of bureaucratization were able to communicate all policies and procedures accurately to their members and functioned effectively whereas small organizations with relatively less bureaucratization, more open and less accurate in communication were relatively less effective in their functioning. In addition, the present research found that the organizational phenomenon (organizational dynamics, attitudes of employees etc) was shaped by contextual factors like size, thus leading to effective organizational performance.

Koys (2001) addressed the issue of whether positive employee attitudes and behaviors influenced business outcomes or whether positive business outcomes influenced positive employee attitudes and behaviors. It was hypothesized that employee satisfaction, organizational citizenship behavior, and employee turnover influenced profitability and customer satisfaction. Data were gathered from 28 units of

a regional restaurant chain via employee surveys, manager's surveys, customer surveys and organizational records over a two-year period. Cross-lagged regression analyses showed that employee attitudes and behaviors at time one were related to organizational effectiveness at time two. Additional cross-lagged regression analyses showed no significant relationship between organizational effectiveness at time one and the employee attitudes and behaviors at time two. These results indicate that human resource outcomes influence business outcomes rather than the other way around.

Dumblekar and Sharma (2001) in their research study in banking sector identified the correlation and role of leadership in the Banking industry that would help transform a bank into a high performance organization. The younger group with a maximum experience of 24 years covered 23 respondents, while the older group had 25 respondents with a minimum experience of 25 years. And amongst the 50 variables the questionnaire covered, leadership style was also one of them, which attempted to classify bank manager's supervisors at three levels as leaders on the basis of their communicative styles. The immediate supervisors of the manager usually either told the managers what to do/or allowed them to participate in the management process. The superior's superior diverted on telling and delegating to him. Selling as a leadership communication technique was rarely employed by any of the three categories of managers in dealing with their subordinates. The managers found that their CMD favored delegation, but not in participative leadership. The younger managers felt that there was less participation by their immediate superior. However, the next two levels, specially the CMD, used delegation more frequently, the CMD did not employ either selling or participating as leadership communication. The views of the older managers almost paralleled those of the total sample. One of the implications for the CMD and other leaders was that "the communicative style and leadership behavior is under constant watch, and is critiqued by subordinate managers."

Truran (2001) collected data from eight organizations which were knowledge intensive firms to identify variables and conditions related to knowledge gained by individuals in organizations and to study how that knowledge was used by the organizations to improve its performance. The results indicated that the hypotheses related to influences on organizational learning were statistically significant. Influences on learning did affect organizational success and learning influences might be combined into three groupings (individual sources, collective sources, and

structural sources). The three influences affected framed views of success: (a) Outward and product orientation, ((b) inward and process orientation, and (c) financial orientation.

This study by Ogunrinde (2001) examined the extent to which Fortune 500 corporations were engaged in formal comprehensive strategic human resource planning and whether or not more comprehensive HR strategies were related to higher performance and efficiency. Data were collected from 173 respondent corporations. The six effective measures were sales-net, earnings growth-decile, employee/total assets, Labor costs/employees, earnings/Labor cost, and return on investment. Corporations engaged in HR strategic planning performed better than those which did not. It was also found that 54% of the companies surveyed indicated that more senior executives were participating in long-range planning than in the past.

Malik and Goyal (2003) in order to establish and evaluate organizational effectiveness for improved information system effectiveness in the organizations, suggested ACE model – a 3-ring model, comprising of processes to adapt, collaborate and evaluate which was tested by using the sample comprising of three automobile manufacturing organizations and seven ancillaries that supplied the components to the manufacturing organizations in the sample. One hundred and thirty two respondents participated in the study. Results, showed that the e-mail was commonly used application for intra-office and inter-office communications. However, this facility was used to exchange general information and specific details about orders but in an unstructured data formats which resulted in duplicity, redundancy and inaccuracy. Therefore, the use of quality information was low for decision-making, control, future planning and information analysis. Also, it was found that the increased level of sophisticated Information Technology, discouraged employees from adopting. In the absence of constructive evaluation process, there was no check on use of information system, hence the defaulters went unnoticed and unanswered, sufferers unattended and organizational investments underutilized. Hence the organizational effectiveness in Indian Automobile industry was less than moderate.

Priyadarshini and Venkatapathy (2003) made an attempt to identify the factors affecting the effectiveness of various categories of banks pertaining to their financial performance and level of ownership. A total of 200 complete responses were collected from 20 banks, which were categorized, into top performing private banks, low performing nationalized banks and low performing private banks. From the

analysis of the data it was found that there was significant difference between types of ownership of banks (nationalized, private) with respect to the following components of organizational effectiveness: immediate supervision, management leadership, compensation, organizational values, communication etc. The results on ownership types and levels of performance indicated that top performing nationalized banks scored high in immediate supervision, management leadership and personal morale and motivation followed by top performing private banks, low performing private banks and finally the low performing nationalized banks. Results on ownership types and levels of performance showed the nationalized banks had a higher score than the private banks on the components of feedback and growth, working conditions and job demands and compensation. The results on ownership types and levels of performance showed that top performing private banks had high organizational values compared to other categories of banks. Results on ownership types and levels of performance indicated the nationalized banks exhibited a higher score on communication and productivity and decision-making.

Analysis of the foregoing studies on organizational effectiveness indicates that organizational effectiveness is a multi dimensional concept and multiplicity of factors affect the effectiveness of organizations. These include: organizational structure, organizational culture, processes, diversity (gender diversity) and technology. Not many research studies have been undertaken in India. Thus, there exists scope for research in the area of organizational effectiveness in India.

#### **2.4 Organizational Communications and Organizational Effectiveness: Review of Related Literature**

Business crisis according to Gerald Meyers (Former Chairman of American Motors) can result from many different types of situations like erosion of positive public perceptions, sudden market shifts, product failures, hostile takeovers, top management succession. Though vastly different in causes and consequences, these categories, have many features in common. In all cases, the situations run the risk of escalating intensity, interfering with the normal operations of business, jeopardizing the positive public image presently enjoyed by a company or its employees, damaging the company's bottom line. During such situations, organizational communications may significantly reduce the chance of escalation, limit interference with normal business operations, and contain damage to the company's reputation and bottom line. Hence numbers of studies have been taken to

highlighting the role of communication in enhancing the effectiveness of organizations.

The purpose of the exploratory study by Muchinsky (1977) was to examine relationships among measures of organizational communication, organizational climate and job satisfaction. Six hundred ninety five employees of a large public utility constituted the sample. The findings showed that (a) some of the dimensions of organizations communication (for example trust, influence, directionality-downward and lateral, accuracy, satisfaction with communication) were significantly related to all or most of climate dimensions (inter-personnel milieu, standards, affective tone towards management, organizational structure and procedures responsibility and organizational identification), while other dimensions of communication for example gate keeping, overload, written modality and other modality were not related to any climate dimensions. Like wise some of the communication dimensions (trust, influence, desire for interaction, accuracy, directionality, downward and lateral and satisfaction with communication) were found to be significantly related to all or most of the dimensions of job satisfaction (work, supervision, pay, promotions and co-workers) while overload and written modality were found to be not significantly related to job satisfaction.

Maloney (1993) investigated the relationships among the factors of communication satisfaction and the factors of administrator job satisfaction among public school administrators. A random sample of 1000 administrators from 128 public school districts in Nassau and Suffolk counties in New York State were collected. Of the 1,000 survey packets distributed, 624 provided useable responses for analysis. This investigation found that different factor structures existed for public school administrators. The communication satisfaction factor structure identified in this study consisted of organization-wide communication, communication with superiors, organizational perspective, personal feedback and communication with subordinates. The job satisfaction factor structure identified in this study consisted of Influence at district level and advancement, facilitating teacher and student achievement, pay, relationship with colleagues, work environment, the work itself and security. A correlation analysis was used to determine if relationships existed among the factors of communication satisfaction and the factors of job satisfaction. Twenty of the 35 relationships among the factors of communication satisfaction and the factors of administrator job satisfaction were found to be significant. All the communication satisfaction factors had relationships with the following administrator's job satisfaction

factors: Influence at district level and advancement, relationship with colleagues, work environment and the work itself. All the communication satisfaction factors did not have relationships with the following administrator job satisfaction factors: facilitating teacher and student achievement, pay and security. The strongest relationships included either the administrator job satisfaction factor of Influence at district level and advancement or the factor work environment. Of the communication satisfaction factors, communication with subordinate had the least significant relationships with the job satisfaction factors.

Sharma (1993), presented the case of the Template Co. of India Ltd., which had a very successful run for decades? But during 1970's the company ran into serious troubles, when the company decided to revamp its technology. It accumulated heavy losses; employees' morale was pushed to a low level, discipline suffered and management had lost its rightful role. Chief Executive, decided to have the organization reviewed for its growth besides for its subsistence. A survey to explore and diagnose key factors of the organization culture and identify the weakness where efforts would have to be focused on was conducted employing survey feedback method. The results of the survey revealed that amongst the various steps that were taken to renew or revive the company, lot of emphasis was given to group dynamics, role of members, extra group communications and to build cohesiveness. The executives as well as the supervisors were exposed to the concept of self, group dynamics, motivations, communication and understanding of human behavior and as a result of these interventions; the company was revived and started functioning smoothly.

As a result of environmentalists' attacks, environmental legislation and a weakening economy, Southern California's Ganahl Lumbar Company faced a situation, which threatened its image, resources, financial viability and survival. Seiter (1995) using the qualitative data gathering techniques examined the ways in which Ganahl Lumbar responded to these concerns. Specifically, this study identified whom Ganahl Lumbar employers perceived to be their most important audiences like employees, customers and the surroundings community and focused on the different communication strategies that the company was using to influence these audiences. Conclusions indicated that despite Ganahl's awareness of three important audiences, the company was doing little to influence the community that surrounded it. Essentially all of the company's communication had been aimed at its employees and customers who presumably posed little threat to the company while the public, which potentially posed the largest threat, would receive the least communication. Ganahal Lumbar had pulled inwards and become egocentric. In short, the current

problem that Ganahl Lumbar was facing could be the result of the company's strong culture, which could be interfering with the company's ability to adapt changing times.

Anderson and Martin (1995), investigated employees' motives for communicating with coworkers or with superiors and their satisfaction with their work, satisfaction with superiors, with commitment. Full time workers (N=202) reported high satisfaction with superiors, as well as moderate satisfaction with work and commitment, when communicating with superiors from pleasure, affection, and inclusion needs but not for escape. Employees reported high work satisfaction, along with moderate satisfaction with superiors and commitment, when communicating with coworkers for affection but not for escape. Females, more than males, communicated with their bosses for affection and relaxation. Males communicated with coworkers more from control needs, while females communicated for affection. Both communicated more with co-workers versus superiors on all of the motives except for duty. Females communicated more from the duty motive with superior versus co-workers.

Atwater (1995) investigated the impact of upward feedback on leadership behavior as rated by followers and leader's self-evaluations. The value of supervised practice to encourage desired leader behavior in addition to providing feedback to the leader was evaluated on a sample of 978 student leaders and their 1,232 followers. The study also assessed the changes in follower rating and self-ratings of individuals with initial follower evaluations over and under their self-rating. Results indicated an overall improvement in leader's behaviors after receiving followers' feedback. Self-evaluations for leaders receiving negative feedback went down, while for those getting positive feedback went up. Moreover, follower rating of leader who received negative feedback improved following feedback to leaders. However, no change in follower rating was observed for those receiving positive feedback.

When faced with a crisis, organizations are compelled to communicate strategically with stakeholders to manage legitimacy. This study provides an investigation of the effects of crisis-response strategies on perceptions of organizational legitimacy. Witherspoon and Wohlert (1996) presented a part of an ongoing two-year research project to foster and maintain diversity within a 14,000 employee statewide public agency called TRANWAY and among the external constituents doing business with the agency. Diversity in the workplace was a phenomenon of great strategic and operational consequences for both public and private organizations. The findings indicated like many organizations, TRANWAY was indeed a collection of groups-people with different educational levels and pay scales, people of both genders and

various ethnicities and races, and people who performed a variety of tasks. Based on these findings, an action plan was suggested that included an effort focused on facilitating diversity by increasing information flow to “special audiences” outside the agency as well as inside the organization, to recruit and retain women and minority employees.

Hermon (1996), examined the perspectives of both employees and senior managers in a service company to determine if the communication between advisory panels representing diverse groups of employees and senior managers resulted in a shared understanding and commitment to diversity. Structured telephone interviews were used to gather data for this research. Responses were assessed and effectiveness scores were calculated for each subject by combining the responses to three-statements measuring subjects agreement or disagreement with the given effects of advisory panel. An analysis of interview transcripts revealed a shared agreement among the majority of the participants regarding the advisory role of the panels. In addition, raising the sensitivity of senior managers, increasing career advancements for women and minorities, and improving interpersonal relationships were identified as positive effects, while a small group of participants’ thought that the panels had led to resentment of diverse groups.

The primary purpose of the study by Pettit et.al (1997) was to determine the moderating effects, if any, of organizational communication upon the employees’ performance satisfaction-relationship that if employees were exposed to appropriate communication (trust, accuracy etc.), job performance in turn will be improved leading to increased job satisfaction and also giving insight into the complex web of relationships among organizational communication, job performance, and job satisfaction. Data was collected from 302 employees from two manufacturing firms; the participants were to response to two questions. Results showed that job performance had a direct, weak to moderate relationship with job satisfaction, which suggested that changes in one of the two variables (performance or satisfaction) might only weakly or moderately influence the other. Organizational communication received weak support as a moderator of the relationship between performance and satisfaction. This finding implied that individuals, who received proper, correct and clear information might perform adequately, which in turn might give rise to positive feelings about their jobs vice-versa. Supervisors might be able to promote adequate levels of job performance and job satisfaction among their employees by providing them with appropriate and accurate information. On the other hand, individuals

scoring low in lateral communication reflected a greater correlation between performance and satisfaction with pay than respondent scoring high. This finding suggested that employees subjected to low levels of lateral communication might be less inclined to make non-desirable comparisons of job related features including pay which in turn negatively affected both performance and satisfaction with pay. That organizational communication received strong support as a predictor of job satisfaction and weak support, as a moderator of the job performance-job satisfaction relationship was the major conclusion of this research. Although some relationships did not prove significant as hypothesized, communication did prove to be important in organizational functioning nonetheless. Lateral communication was found to moderate the relationship between satisfaction with pay and performance, while accuracy of information was shown to moderate the relationship between satisfaction with pay and performance, while accuracy of information was shown to moderate the association between satisfaction with work and performance.

Communication dimensions with the greatest support as predictors were accuracy of information, desire for interaction, communication load, trust in superior, influence of superior, and satisfaction with communication.

Morley et al (1997) conducted an extensive self-report anonymous survey of 492 Italian professionals employed by ten different companies to collect data on perceived organizational rules, how much individual respondents valued those rules, how satisfied they were with organizational relationships, outcomes, and communication, and an evaluation of their organization's effectiveness. The results in this research demonstrated that rule-value discrepancies for each of these dimensions had differing relationships with organizational communication process. Specifically, the higher the individual's discrepancies between organizational success definitions and their own personal success values, the greater the need for more communications, the less the agreement was with the prevailing cultures, and the lower were estimations of organizational effectiveness. High discrepancy for the acceptance conformity dimension was related to lower unmet communication needs, higher relationships and outcome satisfaction, and higher overall evaluation of organizational effectiveness. Discrepancy, low and high, for the structural determinants dimension was not significantly related to organizational communication processes. Higher structural determinants discrepancy however was related to more disagreement with prevailing organizational culture and lower satisfaction with organizational priorities.

Hilgerman & Hans (1998) examined goal setting, communication-satisfaction, and concrete-control differences between effective and less effective self-managing teams (SMTs), which, to varying degrees, controlled their work processes and work rules. This survey research examined these assumptions by testing the hypotheses that team members from more effective SMTs (independent variable) report significantly higher positive attributes of goal setting, satisfaction with communication, job satisfaction, and self management (concrete control independent variables) than team members from less effective teams. Correlations were produced between SMT-member perception of goal setting and communication satisfaction. In a two stage procedure 149 members of 17 SMTs at a West Coast telephone directories printer and an East-Coast manufacturer of semiconductors completed modified versions of the Organizational Goal-Setting Questionnaire (OGSQ), the Communication Satisfaction Questionnaire (CSQ), and the Concrete Control Scale (CCS), which measured the degree by which work team were self managing. Senior managers rated overall SMT effectiveness. SMT effectiveness was related to most measures of positive goal setting perceptions. A clear understanding of the rewards for reaching goals was particularly linked to team effectiveness. Team members' degree of control over team work and their satisfaction with their relationship with their team leader were significantly related to team effectiveness. As this degree of control increased SMT members reported higher positive perceptions of their goal setting process, greater satisfaction with their SMT and host organization communication environments, and higher job satisfaction. As in traditional work settings, SMT Job satisfaction was not linked to effectiveness, although it was linked to other important job outcomes. Although their team leader often avoided discussing negative aspects of team life, SMT members reported that their relationships with their team leaders and team members and feedback related to their jobs were most important to them in determining their satisfaction with their team's goals, communication, and work.

The purpose of the study by Haas (1999) was to explore relationship between conflict management styles and organizational communication climate established by comprehensive high school principals and career technical centre principals and to determine if their methods of handling interschool conflicts differed.

A total of 122 comprehensive high school principals, 26 career technical principals, and 286 teachers from both categories of schools participated in this study. Significant correlation in a negative direction existed between four of the six dimensions of communication channel. Control vs. problem orientation, strategy vs. spontaneity, superiority vs. equality, and certainty vs. provisionalism. The inverse relationship between non-confrontation and these four dimensions suggested that a more suppressive climate using control, strategy,

superiority, and certainty might be associated with principals who were more able to be non confrontational in their communication styles. A positive correlation existed between confrontation solution oriented and one of the six dimensions, empathy and neutrality. Principals appeared to perceive the organizational communication climate in a significantly more positive direction than teachers.

A longitudinal survey research project by Farmer (1999) of a mid size university campus undergoing leadership change determined the relationships between members' shared vision of the organization's goals and a number of communication related activities. The findings clearly showed a statistically significant relationship between effective communication and the crucial organizational outcome of shared vision. They concluded that the leader who flattered the communication hierarchy was more likely to achieve shared vision.

Kiyomiya (2000), studied the national cultures and the complex contexts of Japanese multinational organizations (MNOs) in US. The objectives of this study were to quantitatively analyze the cognitive and behavioral dimensions of communication between these two cultural groups and identify distinctive patterns of organizational communication in terms of MNO's effectiveness. Results about communication frames (N= 152) and ingroup-outgroup communication contradict expectation of cross - cultural stereotype. These results imply that convergence in communication frame and communicative interaction was a key to success in MNO's and increased out-group communication was crucial to enhance communicative convergence and increase the effectiveness of MNO's.

Ford (2000) in his study tested the hypothesis that the way state health department leaders addressed the strategic issues they faced was closely related to the organizational configuration of the agencies they managed. Twenty nine state health departments comprised their sample of agencies studied. The basic organizational configuration were determined by using cluster analysis based on variables developed by Miller and Friesen (1984) Five distant organizational configuration emerged .The management concepts used by state health departments in their public communication were then content analyzed. Based on the average frequency of key word usage, the same cluster analysis technique was used to group the 29 leaders into five sub groups. A cross-level model was developed and used to explore the relationship between healthy agency configuration and their leaders communication patterns. The study's major findings were that meaningful configurations of both agencies and leaders could be established. Second, the agency leaders studied apparently lacked a common managerial lexicon, which may

have contributed to the lack of correlation between communication and the two sets of configurations.

A quasi-experimental, 2x2x4 design study by Massey (2001) tested the hypothesis that (a) organizations that produce consistent crisis responses across stakeholders will enhance their legitimacy, while organizations that produce inconsistent crisis response will reduce theirs; (b) generalists organizations are perceived as being more legitimate than specialist organizations; and (c) when combined, niche-width and crisis-response consistency will produce differing effects on organizational legitimacy. Materials was gathered from actual crisis situations events in the US airline industry to serve as the basis for crisis response messages. The results of the investigation supported all the hypotheses cited above.

Empirical findings of a study by Peng et al (2001) on strategy implementation within the organizational setting of UK public limited company (With a diversified business portfolio which was in the process of implementing a strategic initiative yield management) revealed that communication was pervasive in every aspect of strategy implementation. Further, the analysis showed that the communication found to be useful in understanding of distribution of decision making authority and power and the consequential influence on strategy implementation in multi-unit organizations with a great range of vertical and horizontal relationships. The power of organizational structure in shaping formal communications by creating channels and erecting barriers to the free flow of information had both positive and negative effects on the strategy implementation processes.

Appelbaum (2003) in a case study of a Telecommunication company reported the emergency stopgap measures undertaken by industry giant Tele Link to counteract downward market trends and the ensuing problems caused by its efficiency programme not being managed effectively, resulting in lingering and negative impact on surviving employees' behaviors and attitudes demonstrated by decreases in productivity, motivation, emotional health, job satisfaction, and confidence in management as well as increases in absenteeism. The findings indicated that Tele-Link was unprepared to handle the inevitable pre-announcement rumor mill and was forced to present cutback prematurely, lengthening from the period of time from announcement to implementation and fueling anxiety at the time. Though Tele-Link's handling of the programme was well rated, it did concentrate almost entirely on the 'during' phase with no formal plans to help survivors mourn or adjust to new circumstances. The findings highlighted that the power of informal communication in

this case the 'rumor mill' should not be underestimated and management should not overestimate their own ability to control it.

Nguyen (2005), focused on the relationship between effective managerial communication and leadership skills and employees' sense of empowerment and job satisfaction. This research paper presented a framework for identifying key factors to employees' empowerment and job satisfaction. The study was conducted with 42 technology workers in the Silicon Valley from five diverse companies. The results suggested significant correlation between measured variables. The results also suggest that effective managerial communication and leadership skills were important to the retention of technology workers.

On the basis of review of the literature on organizational communication and organizational effectiveness, the following major conclusions can be drawn.

- Nature and types of communication may vary in different types of organization.
- Communication (formal and informal; external and internal etc.) plays an important role in organizations especially during crisis.
- Information and communication technologies have been integrated in communication processes in organizations and it has improved communication within and outside the organizations.
- Organizational effectiveness is a multi-dimensional concept. There are number of variables or factors (leadership style, organizational structure, planning, job satisfaction, organizational culture etc.) that contribute to the organizational effectiveness and these will vary from industry to industry.
- Communication in the organization has an effect on leadership styles, employee's morale, job performance, job satisfaction and managing relationship etc.
- The formal organization was perceived to be more valuable by the employees in satisfying their needs as compared to informal organization.
- Barriers to communication (downward, upward and horizontal) reduce effectiveness of organizational communication and in turn adversely affect organizational effectiveness.

A few studies have been undertaken in the Indian context leaving much scope for further research.

## **2.5 Hypotheses:**

On the basis of review of research literature, the following hypotheses were formulated for the present study.

- There exist significant positive relationship between the organizational communication with respect to its dimensions namely downward, upward and horizontal communication and organizational effectiveness.
- There exist significant differences between the extreme groups on organizational effectiveness with regard to organizational communication and its dimensions namely downward, upward and horizontal communication in the automotive industry.
- The state has a significant effect on the organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry.
- The levels of management has a significant effect on the organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry
- There is a significant interactional effect of the state and the levels of management on the organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry.

## **Chapter 3**

### **METHODS AND PROCEDURES**

The present chapter deals with the design of the study. It describes the sample, tools and construction of tool for organizational effectiveness, procedure for data collection and statistical techniques used for data analysis.

#### **3.1 Research Design**

The objectives of the study were to determine the nature of organizational communication, compare the effectiveness of organizational communication in the automotive industry of Haryana and Punjab, to study the differences among the perceptions of personnel at different management levels regarding effectiveness of organizational communication with respect to

its dimensions and also to study interactional effect of state and levels of management on perceived effectiveness of organizational communication in the automotive industry. Thus survey research design was used to undertake the study.

### 3.2 Sample

Sample for the study consisted of 631 personnel working at three different management levels (top, middle and lower) from six large-scale automotive firms three each from the states of Punjab and Haryana. Sample was selected in two stages. Initially, a sample of six large-scale automotive manufacturing firms from Punjab and Haryana were selected on the basis of the following criteria as shown in table 3.

Table 3.1: Criteria for selection of Firms

Parameter	Criterion
Turn over	1bn
Number of Employees	Equal to or more than 500
Product	Automobile / automobile parts

The large scale manufacturing firms were preferred to small and medium size manufacturing firms, as most of the large scale firms were able to sustain or survive in the highly competitive open markets after the opening up of Indian economy in 1991. The medium and the small-scale firms found themselves out of synchronization with the world industry. India being a vast country the author confined the study to the region where she works, viz states of Punjab and Haryana in North India, which is an area as large as France. Since automotive industry is a major industry in this region, it is reasonable to assume that this large industrial sector provides a significant sample of industrial organisations in India. Lists of large-scale automotive firms in Punjab and Haryana were obtained from the industry departments of respective states. The total number of automotive industry in Punjab and Haryana were 14 and 32 respectively. However only three automotive firms in Punjab and 19 firms in Haryana fulfilled the criteria as detailed in table 3.1. A large number of automotive manufacturing firms approximately nineteen (19) were found to be concentrated in Gurgaon and Faridabad belt in the state of Haryana. These firms were contacted, but only three firms agreed to participate in the study. Six automotive manufacturing firms thus selected for the study are given in Table 3.2.

Table 3.2: Automotive Firms selected for the Study

SN	Name of the Firms	Employees strength	Product	Annual turnover
1	Goetze India Ltd (GIL)	2500	Piston rings, cylinder liner, light alloy	3bn
2	Punjab Tractor limited (PTL)	1500	Tractor	6bn
3	Swaraj Mazda (SM)	600	Tractor	5bn
4	Maruti Udyog Ltd. (MUL)	3400	Passenger cars	9315*mn
5	Hero Honda (HH)	3888	Motorcycles	5832 mn
6	Sunbeam Auto Ltd (SAL)	1100	Internal combustion for auto engines Automotive parts	6bn

Source: CII Directory North Region (2004-05)

Since these were large firms, the workforce was national in nature (from all over India), with a local bias normally mandated by the state because of political reasons. The top management composition is normally more national in character, compared to middle and lower management, to enable better co-ordination among employees from different cultures and work environment.

These companies are governed by different state legislations, have different predominant religions, languages and cultures. They compete against each other in the process of industrialization. These states have different political, economic, and social compulsions. There are many large scale automotive manufactures in both states that provided opportunity to select an appropriate size to have statically significant results to study Communication effectiveness in an organization.

At the second stage of sampling, a stratified proportionate random sample of 100 personnel working at three different management levels namely top, middle and lower management were selected from each of the six firms. Top management level comprised of personnel who were involved in policy, planning and decision making processes and it included Heads of Department and above, middle management consisted of assistant managers and above but the personnel below the rank of heads of departments and the lower management level comprised of assistant engineers, engineers and junior engineers. Table 3.3 depicts the actual strength and the proportion of the three management levels included in the sample for the study.

**Table 3.3 Sample Selected from Six Automotive Firms.**

Sr. No.	Name of the Firm	Top Management		Middle Management		Lower Management		Total Proportionate Sample	
		Actual strength	Proportionate Sample	Actual Strength	Proportionate Sample	Actual Strength	Proportionate Sample	Total Sample	Actual sample taken
1.	GIL	39	10	75	25	200	65	100	100
2.	PTL	10	03	150	42	200	55	100	107
3.	SM	13	5	64	24	183	71	100	105
4.	MUL	16	02	340	39	510	59	100	108
5.	HH	14	3	273	41	373	56	100	107
6.	SAL	25	6	160	38	240	56	100	104
<b>Total Samples</b>		<b>117</b>	<b>29</b>	<b>1062</b>	<b>209</b>	<b>1706</b>	<b>362</b>	<b>600</b>	<b>631</b>

However, due to inadequate number of personnel at top management level, it was decided to take at least ten personnel from the top management levels of each firm to give due representation in the sample. Thus, the final sample comprised of 631 personnel (Top Management-60; Middle Management-209; Lower Management-362) at different management levels working in six large-scale automotive firms (three each from Punjab and Haryana).

### 3.3 Tools Used

As the study involved determining effectiveness of organizational communication and organizational effectiveness in the automotive firms, following two tools were used:

- Organizational Communication Scale (Gayatri, 2001)
- Organizational Effectiveness Scale (developed by the researcher)

#### 3.3.1 Organizational Communication Scale

Gayarthri, (2001), developed Organizational Communication Scale to measure internal operational formal communication in textile organizations in Indian setting. The scale consists of 63 items measuring three dimensions namely downward, upward and horizontal communication.

(a) **Downward Communication** refers to the communication from higher position in the organizational hierarchy to a lower position. The scale for downward communication consists of twenty-six items having four (4) negative items and twenty-two (22) positive items and covers following six parameters namely:

- a) Communication about task direction

- b) Communicating the rationale behind the tasks being performed
- c) Communicating feedback about one's performance
- d) Using multiple channels of communication
- e) Repeating important communication
- f) Bypassing formal communication channels whenever necessary

**(b) Upward communication** refers to communication from lower levels of organizational hierarchy to the higher levels. Twenty-five items of upward communication scale has fourteen (14) negative items and eleven (11) positive items covering the following aspects:

- a) Screening of information to avoid information overload
- b) Free and easy exchange of communication
- c) Distortion proof information
- d) Higher official ability to sensitize themselves to detect bias and avoid distorted communication
- e) Spontaneity of communication by reduced status barriers

**(c) Horizontal communication** refers to the communication between the positions at the same levels of organizational hierarchy. There are twelve items having two (02) items as negative and ten items as positive measuring following two parameters:

- a) Task coordination, and
- b) Problem solving

The scoring for communication scale is done on the 5 point scale that is 5 (strongly agree), 4 (agree) 3 (indifferent) 2 (disagree) 1 (strongly disagree). For negative items like 3, 4, 19, 26, 29, 30, 32, 33, 34, 36, 37, 40, 42, 46, 48, 49, 50, 55, 60, the scoring is reversed

### **Construct Validity**

For construct validity, item-difficulty and discrimination index were calculated. The values of item-difficulty for three subscales range between .42 -.68; .40- .63; 0.40-0.57 respectively and discrimination index for three subscales range between 0.21-0.58; 0.27-0.92 and 0.73 –0.86 respectively.

Further the inter item correlation for all the scales of downward, upward and horizontal communication are positive and significant. Coefficients Cronbach Alpha for downward, upward and horizontal communication are 0.77, 0.92 and 0.95 respectively. As the scale of organizational communication is highly reliable and valid and has been developed and used in the Indian context by Gaytri (2001), it was found fit for use in the present study. The copy of the scale is given in the annexure 1.

### **3.3.2 Organizational Effectiveness Scale and Its Development**

The effectiveness of an organization is generally gauged by the objective indicators-profit, production rate, turnover, etc. and behavioral or subjective indicators-employee satisfaction, quality of work life, leadership style etc. These two distinctive approaches possess their own strength and weaknesses. Objective or tangible indicators are quantifiable and provide a valid base for inter organizational comparisons and evaluation over the time period (Sayeed, 1980). Subjective indicators influence the behaviors of the individual in the organizations who determine its survival, growth and performance and most importantly facilitate comparisons between organizations (Reddy and Gayatri, 2000). Further pointing out the advantages of subjective indicators over objective indicators, Sayeed (1992) observed that subjective indicators were relatively less susceptible to environmental variations as seen in the case of tangible or economical indicators.

There are various studies as discussed in review of literature (chapter two), which have used subjective indicators. For example, organizational structure (Reddy and Gayatri, 2000; Srivastava and Ghadially, ; Reif et al, 1973; Smith & Gannon, 1987; Leadership style (Chien, 1992; Smith & Gannon, 1987; Wilhelm, 1993; Verma & Jain, 1996) Communication (Peng et al, 2003; Daly et al, 2003; Muchinsky, 1977; Reddy & Gayatri, 2000, Job-satisfaction(Nobbie, 2005; chinsky, 1977; Srivastava, 1979; Hariharan & Ganesan, 1999; Kilman & Herdle, 1976); Organizational culture (Chien, 1992; Daly et al, 2003, planning (Organizational effectiveness survey, 2004; Ogunrinde, 2001; Smith & Gannon, 1987; Organizational learning (Smith & Gannon, 1987; Truran, 2001); Information technology (Goyal & Malik, 2003; Banwet, 1999); Organizational climate (Gayatri, 2001; Hariharan & Ganesan, 1994; Muchinsky, 1977) Performance measurement & rewards (Shaw et al, 2002; Vandenberg, 1999); Organizational effectiveness survey, 2004); Adaptability and organizational excellence & learning (Sayeed, 1991; Chien, 1992).

Thus for the present study perceptions of employees regarding effectiveness of five dimensions namely planning, organizational structure, organizational culture, communication and information technology and outcome were identified as the basis for measuring organizational effectiveness. These five dimensions were adapted from the Kids Count Self Assessment Tool (2003). Two dimensions of Kids Count Self Assessment Tool (2003) namely finance and accountability and funds raising were however excluded, as they were not found relevant to the context. Hence the major dimensions retained in the scale included.

- a) Planning
- b) Organizational structure
- c) Organizational culture
- d) Communication and Information technology
- e) Outcome

The definition of these dimensions and some of their characteristics (as identified by Kids Brown self-assessment tool, 2003) are given below:

**(a) Planning** refers to that establishes objectives and road maps necessary for all group efforts (Terry, 1978). Planning includes vision, mission, strategic plan and annual operational plan. Characteristics of effective planning are:

- a) Vision should inform what the organization aspires to be in future
- b) It should inspire and motivate staff and board
- c) It should provide contexts for strategic planning
- d) Mission should be short, clear, concise and broad
- e) It should provide basis for developing goals and objectives
- f) It should be reviewed annually and be part of ongoing planning process
- g) Strategic Plan should evaluate its progress annually and be updated
- h) Annual operating plan should provide an annual action plan with steps and time line.

**(b) Organizational structure**, according to, McShane (2005) refers to, “division of labor as well as pattern of coordination, communication, workflow, and

formal power that direct organizational activities.” Organizational structure deals with vast areas of activities related to the following and some of the characteristics of the effective organizational structure are:

- **Governance-board of directors** should be committed and supportive. It should have clarity of role and responsibilities
- **Staff leadership** should maintain staff commitments, satisfaction and high performance. It should conduct business in an open and inclusive manner
- **Staff structure** should believe the mission and work of the organization. Performance should be reviewed (providing constructive feedback) and rewarded. Training should be appropriate Policies and procedures should be formalized

(c) **Organizational Culture** has been defined as “set of assumptions, beliefs, values, and norms that are shared by an organization’s members” (Charles O’ Reilly, 1989). Some of the characteristics of organizational culture of an effective organization are:

- Employees should be treated fairly and business should be conducted fairly
- Organization should be engaged in continuous improvement of internal processes
- Organizational culture should be consistent with all core values of the organization

(d) **Communication and Information Technology** refers to “transfer of information from one person to another person (Herschel, 1997) and the information is shared through technology which provides new and dynamic channels like computer, voice-mail etc. for communication to take place in an organization. Some characteristics of effective system of communication and information technology are:

- There should be frequent interaction between seniors and subordinates.
- Transparency should exist in all organizational communication.

- Hardware and software should be appropriate and training should be provided as per the requirement

(e) **Outcomes** refer to performance measures in terms of achievement of organizational objectives/targets. Effective outcomes according to Kids Brown self-assessment tool (2003) are:

- Satisfaction of employees and clients
- There should be high morale among the employees
- Organization should enjoy good reputation.

On the basis of identified dimensions and characteristics enlisted above, a set of ninety-five items were written covering all the five major dimensions of organizational effectiveness. Dimension- wise break-up of item is given in Table 3.4.

**Table 3.4: Dimension wise Distribution of Items**

<b>Dimension</b>	<b>Item No</b>
Planning	1-12
Organizational structure	13-56
Organizational Culture	57-71
Communication & Information Technology	72-81
Outcome	82-95

### **Preliminary Editing**

First draft of the scale consisting of ninety-five items, covering five dimensions of organizational effectiveness was provided to fifteen experts including academicians, managers from automotive firms, researchers and management consultants. They were requested to scrutinize the items and check their relevance and conformity to the concept of organizational effectiveness with respect to its dimensions and were also asked to see whether the items measured adequately the dimensions they represented. They were also requested to check appropriateness of wording, grammatical corrections, formatting of sentences in the scale. In addition, they were requested to feel free to modify, add, or delete any number of statements, as they found fit. On the basis of the suggestions provided by the panelists, the following eight items, which were found to be ambiguous, irrelevant and repetitive in nature, were deleted from the scale:

- a) A written annual action plan with specific goals and objectives to achieve its mission is circulated to all
- b) The members on our board are expert in their own areas
- c) Compensation is primarily the reasons for working in the organization.
- d) The compensation plan of the organization rewards high performance
- e) Good results are well rewarded
- f) We change the way we do the business in response to our customer needs
- g) Excellent Customer service is extremely important to us.
- h) Internet is extensively used in day-to-day management

In addition, modifications in the following four statements were suggested so as to enable the respondents to understand the meaning clearly. Therefore, changes in the following statements were made to facilitate correct response (Table 3.5).

Table 3.5: The items modified in the Scale

<b>SN</b>	<b>Items</b>	<b>Items modified</b>
1	Organization provide a clear statement of what the organization aspires to be in future	The vision statement of the organization clearly states what the organization would be in future.
2	Vision and mission statement of organization is circulated in writing to all	All the employees are knowledgeable about the vision and mission of the organization
3	The Board of Directors provide ongoing support and motivation to its employees	The Board of Directors supports organization's policy
4	Both men and women are provided opportunities to grow with an organization	Equal opportunities are provided both to men and women to grow within an organization

Finally, with the deletion of eight items, ninety-five items scale was reduced to eighty-seven items scale measuring five dimensions of the organizational effectiveness. The

number of items retained in each of the five dimensions were eleven (planning); forty-one (organizational structure); seventeen (organizational culture); eleven (communication and information technology) and seven (outcome). Thus the final scale for measuring organizational effectiveness having five dimensions consisted of eighty seven (87) items. A copy of the scale is given in Annexure 1.

For validation of the tool, the items were rated by fourteen academicians and fourteen managers from automotive industry on a three point rating scale namely (1) most relevant (2) relevant (3) least relevant. Kendall's Coefficient of Concordance was used to check the extent of agreement between the academicians and the managers. Value of chi square (132.20) was found to be significant at .01 levels indicating that there was an agreement between the academicians and the managers from the industry confirming that the items were representative of the organizational effectiveness and measured what these were intended to measure.

### **Item Analysis and Reliability of the Scale**

The 87 items scale was then administered to hundred managers (top management=15; middle management=15; lower management=43) working at different hierarchical levels in the six different automotive firms to check the reliability of the tool. The respondents were requested to indicate their extent of agreement with the statements that was how far the statements were true in their respective organizations on a five point rating scale namely strongly agree; agree; Indifferent; disagree and strongly disagree. Seventy-three filled in Organizational Effectiveness Scales were received. A score of 5, 4, 3, 2, 1 were assigned to calculate the total score of an individual on organizational effectiveness.

To ascertain the reliability of the scale, item-item correlation, item-total correlations and Coefficient Cronbach Alpha were calculated.

#### **Item- Item Correlation**

To test the internal consistency of the scale, item- item correlations were computed. 7569 correlations were obtained. Item-item correlation for organizational effectiveness ranged between 0.40 and 1.00. Analysis of the inter-item correlations revealed that 54.44% of correlations lie between .4-.6, 41.05% between .6-.8, and 3.79% between 0 .8 and above. According to Robinson et al (1991) item-item correlations of 0.3 or above are acceptable. Therefore internal consistency was found to be high shown in the Table 3.6.

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### **Item-Total Correlations**

Item-total correlations for eighty-seven items scale ranged between 0.40 – 0.80 except for one item namely 38 for which item-total correlations were found to be 0.267 only. As the item-total correlation for this item was found to be approaching .30 and the item was relevant, it was retained in the scale and shown in the Table 3.7.

**Table 3.7: Correlation between Item - Total Score**

<b>ITEM NO.</b>	<b>VALUES</b>	<b>ITEM NO.</b>	<b>VALUES</b>
1.	0.494	45.	0.556
2.	0.627	46.	0.535
3.	0.730	47.	0.618
4.	0.595	48.	0.647
5.	0.625	49.	0.657
6.	0.634	50.	0.576
7.	0.544	51.	0.533
8.	0.783	52.	0.577
9.	0.811	53.	0.597
10.	0.838	54.	0.538
11.	0.789	55.	0.547
12.	0.694	56.	0.493
13.	0.628	57.	0.567
14.	0.647	58.	0.519
15.	0.751	59.	0.645
16.	0.633	60.	0.501
17.	0.738	61.	0.680
18.	0.566	62.	0.711
19.	0.558	63.	0.729

ITEM NO.	VALUES	ITEM NO.	VALUES
20.	0.781	64.	0.699
21.	0.799	65.	0.647
22.	0.672	66.	0.550
23.	0.472	67.	0.638
24.	0.460	68.	0.603
25.	0.404	69.	0.646
26.	0.586	70.	0.705
27.	0.573	71.	0.688
28.	0.522	72.	0.723
29.	0.688	73.	0.716
30.	0.503	74.	0.363
31.	0.772	75.	0.577
32.	0.803	76.	0.545
33.	0.663	77.	0.620
34.	0.632	78.	0.666
35.	0.644	79.	0.740
36.	0.541	80.	0.618
37.	0.758	81.	0.465
38.	0.267	82.	0.573
39.	0.506	83.	0.713
40.	0.521	84.	0.752
41.	0.581	85.	0.406
42.	0.467	86.	0.570
43.	0.621	87.	0.716
44.	0.459		

**Inter-Correlation among Dimensions of Organizational Effectiveness**

Table 3.6 shows the inter correlations among the five dimensions of organizational effectiveness scale namely planning, organizational structure, organizational culture, communication and information technology and outcome.

**Table 3.8: Inter-correlations among five dimensions of Organizational effectiveness.**

Dimensions of Organizational Effectiveness	Planning (D1)	Organizational Structure (D2)	Organizational Culture (D3)	Communication and Information Technology (D4)	Outcome (D5)
Planning	1				
Organizational Structure	.88	1			
Organizational Culture	.80	.85	1		
Communication & Information Technology	.86	.92	.85	1	

Outcome	.79	.80	.81	.78	1
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Inter-correlations among the five dimensions ranged between .78 to .92 indicating all dimensions measure organizational effectiveness.

### Coefficient Cronbach Alpha

Further to determine the internal consistency of the scale, Coefficient Cronbach Alpha were calculated for the total sample and for different management levels as depicted in the table3.7:

**Table 3.9: Coefficient Cronbach Alpha**

Category	Coefficient Cronbach Alpha
Top management	0.98
Middle management	0.83
Lower management	0.99
Total management	0.99

The values of Coefficients Cronbach Alpha for the three management levels and the total sample were found to be high and ranged between 0.83 and 0.99. Thus the scale was found to have high internal consistency and considered to be reliable.

### 3.4 Collection of the Data

The data was personally collected from the six automotive firms (three in Haryana and three in Punjab) selected for the study. Scales on organizational communication and organizational effectiveness were then administered to the managers from the top, middle and lower management levels. Before administration of the scales, the purpose and importance of the study were explained to the personnel and they were requested to cooperate by providing their free and frank opinions through the given scales. They were assured of complete confidentiality of their perceptions.

**A total of 631 scales were given to six firms and a total of 538 (85%) filled in scales were received. The following table shows the number of filled in scales received from personnel working at three management levels from six automotive firms:**

**Table 3.10 Number of Scales Given and Received**

Sr. No	Name of the Industry	Top Management		Middle Management		Lower Management		Total
		Given Forms	Received Forms	Given Forms	Received forms	Given Forms	Received forms	
1.	Goetze India Ltd.	10	10	25	25	65	65	100
2.	Punjab Tractors Ltd.	10	05	39	39	51	49	93
3.	Swaraj Mazda	10	05	23	21	67	54	80
4.	Maruti Udyog Ltd.	10	08	36	34	54	52	94
5.	Hero Honda	10	05	38	38	51	44	86
6.	Sunbeam	10	10	36	28	54	46	85
<b>Total Samples</b>			<b>43</b>		<b>185</b>		<b>310</b>	<b>538</b>

### 3.5 Statistical Techniques used

The following statistical techniques were used to test the hypotheses formulated for the study.

#### 3.5.1. Descriptive statistics

Mean median, standard deviation, skewness and Kurtosis for all the dimensions of both the scales on organizational communication and organizational effectiveness were obtained to ascertain the nature of distribution of scores.

#### 3.5.2. Inferential statistics:

1. Product moment correlations were calculated to determine the extent of the relationships between various dimensions of organizational communication and organizational effectiveness
2. t-ratios were used to study significance of differences between means of extreme groups high and low on organizational effectiveness with respect to organizational communication and its dimensions.
3. 2x3 ANOVA was applied to study the main effect of state and management levels and the interactional effect of these variables on the

perceptions regarding effectiveness of organizational communication in Indian Automotive Industry.

4. Wherever F was found to be significant, t-ratios were worked out to find out the differences between means of various groups.

## **Chapter 4**

### **ANALYSIS OF DATA AND RESULTS**

#### **4.1 Introduction**

In accordance with the objectives and hypotheses formulated for the study, data analysis was carried out. Descriptive statistics – mean, standard deviation, and standard error of mean, skewness and kurtosis were calculated for the scores on organizational communication and its three dimensions and organizational effectiveness to study the nature of distribution of scores. Correlations were calculated between the scores of organizational effectiveness and organizational communication and its dimensions to study the relationship between the two variables. t-ratios were computed to study the difference between mean scores on organizational communication of extreme groups (top and bottom 27%) on organizational effectiveness. In addition 2X 3 ANOVA was used to study the main effect of state and levels of management as well as their interactional effect on organizational communication and its dimensions. Further t-ratios were calculated to study the significance of differences between the means.

The analysis of the data and results are discussed under the following main headings:

- Nature of distribution of scores.
- Nature of communication in Automotive Industry
- Relationship between effectiveness of organizational communication and organizational effectiveness
- Extreme group comparison
- 2 × 3 Analysis of Variance

#### **4.2 Nature of Distribution of Scores**

In order to study the nature of distribution of scores on organizational effectiveness and organizational communication, descriptive statistics namely mean, standard

deviation, standard error of mean, skewness, and kurtosis were calculated and are given in Table 4.1.

**Table 4.1: Mean, Standard Deviation, Standard Error of Mean for Organizational Communication, its Dimensions and Organizational Effectiveness Scores**

<b>Variable</b>	<b>Mean</b>	<b>SD</b>	<b>SE<sub>M</sub></b>	<b>Skewness</b>	<b>Kurtosis</b>
Downward Communication	58.539	10.821	0.467	0.248	4.440
Upward communication	71.217	9.760	0.421	0.223	3.423
Horizontal Communication	27.900	5.581	0.241	0.312	4.197
Overall Organizational Communication	157.656	22.523	0.971	0.274	4.077
Organizational Effectiveness	192.550	46.615	2.010	0.213	3.927

Kurtosis significant at.01 level range: .282-.808

Skewness significant at.01 level, range:  $\pm$ .272

Kurtosis significant at.05 level range:

Skewness significant at.05 level, range:

Mean scores for various dimensions of organizational communication namely downward, upward and horizontal communication ranged between 27.90 to 71.22 and standard deviation between 5.58 to 10.82. The values of skewness for three dimensions- downward, upward and horizontal communication were found to be 0.24, 0.22, and 0.31 respectively. The values of skewness for downward and upward communication did not exceed  $\pm$  0.272, the acceptable limits at.01 level of significance (Snedecor and Cochran, 1959). The distribution was thus considered to be normal. However, score distribution for horizontal communication was found to be significantly positively skewed.

The mean score and Standard Deviation for overall organizational communication was found to be 157.65 and 22.52 respectively. The value of skewness (0.27) for organizational communication did not exceed the acceptable limits of skewness  $\pm$ 0.272, at.01 level of significance (Snedecor and Cochran, 1959).

The value of kurtosis for downward, upward, and horizontal and overall organizational communication ranged between 3.422 to 4.442. The values of kurtosis exceeded the acceptable limits of kurtosis at.01 level of significance i.e..282-.808. The curve was found to be leptokurtic.

The mean score and Standard Deviation for organizational effectiveness were 192.55 and 46.61 respectively. The value of skewness for organizational

effectiveness was found to be 0.21, not exceeding  $\pm 0.272$ , the acceptable limits at.01 level of significance. The distribution was thus considered to be normal.

The value of kurtosis for overall organizational effectiveness was found to be 3.92 thus exceeding the acceptable limits of kurtosis at.01 level of significance i.e..282-.808. Hence the curve was found to be leptokurtic.

### 4.3 Nature of Communication in Automotive Industry of Punjab and Haryana

In this section, the nature of downward, upward and horizontal communication as perceived by the personnel working at three management levels in the automotive industry of Punjab and Haryana are discussed.

#### 4.3.1 Nature of Downward Communication

Table 4.2 shows the percentage of personnel who agreed or disagreed with the various statements on a five-point scale for downward communication.

**Table 4.2: Nature of Downward Communication**

S.No.	Statement	SA	A	I	D	SD
1.	Appropriate job instructions are given to employees	28.8	59.9	3.9	6.9	.6
2.	Through communication, the employees in this organization know what is expected out of their jobs.	20.8	62.3	6.9	9.7	.4
3.	Occasionally we find it difficult to understand job instructions	7.6	28.4	19.9	39.2	4.8
4.	There are occasions when the employees got confused with their job instructions	6.3	34	19.1	32	8.6
5.	Job instructions are precise and clear	17.5	53.7	12.5	15.1	1.3
6.	The employees are kept informed about the importance of their contribution.	19.0	47.4	14.7	17.7	1.3
7.	Organizational requirements are met by explaining the rationale behind the task	15.4	50	16.5	16.2	1.9
8.	The role of every employee is equally important for organizational functioning	36.2	42.8	5.9	13.2	1.9
9.	The more an employee understands his job the easier it is to achieve goals/targets	48.9	42.2	4.3	3.9	.7

S.No.	Statement	SA	A	I	D	SD
10.	Communication helps in understanding 'what and why' a job is being done	43.5	46.1	4.3	5.4	.7
11.	Appropriate performance feedbacks are communicated to the employees	17.1	53.7	11.7	16	1.5
12.	Knowledge of performance level helps improve skills	34	50	8.6	6.7	.7
13.	Suggestions help in improving task performance	35.9	54.3	5	4.3	.6
14.	Feedback enhances the quality of performance	36.1	50.2	8.2	4.3	1.3
15.	Performance appraisals keep the employees' on target	28.6	55	8.4	7.4	.6
16.	Multiple channels of communication (written, circulars, notice boards, verbal simultaneously) increase the chances of the communication being received	24.5	56.1	8.4	10.4	.6
17.	Using various channels reduces the ambiguity of information	16.9	55	14.1	13	.9
18.	Communicating through various channels facilitates accuracy	20.8	48.9	15.4	13.9	.9
19.	Multiple communication channels occasionally cause confusion	8.2	45.7	14.5	28.4	3.2
20.	Repeated message signifies importance	24.5	50.9	12.5	10.8	1.3
21.	Important communication are repeated to ensure accuracy	24.5	50.9	12.5	10.8	1.3
22.	Repeated messages are intended to ensure that it is correctly received and understood	17.8	59.1	11.5	11.3	.2
23.	When message is not clear formal channels of communication are bypassed	7.6	55.2	16.5	19.9	.8
24.	Sometimes bypassing formal communication channels saves time	3.7	56.9	14.1	23.8	1.5
25.	Direct communication is always more effective	45.7	43.5	4.6	5.4	.7
26.	Bypassing formal communication channels	7.6	44.1	13	32.7	2.6

S.No.	Statement	SA	A	I	D	SD
	cause confusion about 'who is the real boss					

(SA=Strongly agree, A=Agree; I=Indifferent, D=Disagree; SD=Strongly disagree)

Personnel ranging between 60.6% to 91.1% agreed with the statements 1, 2, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 20, 21, 22, 23, 24, and 25 and the personnel ranging between 4.6 % to 24.5% expressed their disagreement and 3.9% to 16.5% of personnel were found to be indifferent to these statements.

As is evident from Table 4.2 majority of the personnel at three management levels in the automotive industry were of the opinion that job instructions given to employees were appropriate (88.7%), precise and clear (71.2%), rationale behind the task was explained (65.4%) and as a result, employees could understand what was expected out of their jobs (89.6%), and this understanding helped them in achieving organizational goals and targets (91.1%). They further opined that employees were kept informed about the importance of their contribution (66.4%); appropriate performance feedback was communicated to the employees (70.8%), which helped them in improving the quality of their skills (85%) and thereby their performance (90.2%). It was further observed that multiple channels of communication like written, circulars; notice boards etc. were used (80.6%) in their organizations to reduce the ambiguity of information (71.9%) and facilitate accuracy (75.4%). Important messages were repeated and when information was not clear, one could bypass formal channels (62.8%), which sometimes saved time (60.6%).

Most of the personnel (44 %) disagreed with the statement that it was difficult for them to understand job instructions occasionally, only 36% personnel agreed with the statement. Equal percentage of personnel (40.3% and 40.6%) agreed and disagreed with the statement that on certain occasions, they got confused with their job instructions, while as the response of 19% of the personnel was indifferent.

However, few barriers to the downward communication were identified by the personnel as shown in the Table 4.2. Majority of the personnel agreed that use of multiple communication channels occasionally caused confusion (53.9 %) and bypassing of formal communication channels also led to confusion regarding the real boss (51.7%). It can be said that the personnel preferred information to flow through the proper channels. However the personnel ranging between 31.6% and 35.3%disagreed with these two statements and 13% and 14% of the personnel were indifferent. The findings by Minsky and Marin (2001) and Sullivan (1996) showed that

employees' preferences for communication channels vary according to the type of communication task undertaken, thereby lending partial support to the findings of the present study. However, a study by Reif et al (1973) fully supports the findings of the present study that the formal organization was perceived to be more valuable by the employees in satisfying their needs as compared to informal organization. From these findings, it can be concluded that majority of the personnel at three management levels perceived downward communication in the automotive industry to be effective in terms of its characterization by desired features, except two major barriers namely the use of multiple channels and by passing of formal channels.

#### **4.3.2 Nature of Upward Communication**

Table 4.3 shows the percentage of personnel who agreed or disagreed with the various statements on a five-point scale for upward communication.

Personnel ranging between 60.2% to 81.3% were found to be in agreement with statements 27, 28, 31, 35, 38, 39, 41, 43, 44, 45, 47 and 51 the personnel ranging between 9.7% to 24.2% expressed their disagreement with these statements and 8% to 19.5% were found to be indifferent (Table 4.3).

In the perceptions of the majority of the personnel (Table 4.3) in the automotive industry of Punjab and Haryana, constructive opinions, suggestions, brought appreciation from superiors (81.3%) especially if they were substantiated by facts (80.7%). This is supported by the fact that 66.9% of personnel disagreed with the statement that their suggestions were not taken seriously. Higher ups were sensitive to the genuineness of complaints (71.7%) and complaints were acted upon rationally (66.5%) Delay in passing on the complaints was viewed seriously in their organizations (64.9%). They further opined that they did not fear any negative repercussions from higher ups (60.6%) while communicating with them. On the contrary they were encouraged to interact with them, which resulted in good understanding (72.9%) and thereby reducing status barriers (72.3%). It was felt by the personnel that the higher ups discouraged the practice of indiscriminate meddling of information (60.2%).

However, according to majority of the personnel ranging between 55% to 88.2%, a number of barriers to the upward communication (statements: 29, 30, 32, 33, 34, 36, 37, 40, 42, 46, 48, 49 and 50, Table 4.3) inhibited the free flow of upward communication. 6.1% to 37.7% personnel were however in disagreement with these items and 11.5% to 19.5% were found to be indifferent. Majority of the personnel felt

that there was a practice to filter the information especially the negative feedback, partly, in order to be in the good books of the superiors (45.7%), partly due to status barriers (55%). According to them, the repercussions of screening of the information at different levels were that, it reduced the intensity of information (64.9%), kept superiors in dark (56.5%), hindered the enthusiasm of the superiors to act (70.4%), and on occasions

**Table No 4.3 Nature of Upward Communication**

S.No.	Statement	SA	A	I	D	SD
27.	Opinions/Suggestions/Complaints offered are transmitted to the concerned persons without delay	14.9	50.7	15.6	16.9	1.9
28.	Upward messages are screened so that more relevant aspects receive attention	9.7	61.	17.1	11.9	.4
29.	Screening of information at different levels keeps superiors in dark	14.3	42.2	18.4	23.4	1.7
30.	On occasions, sheer volume of facts communicated stifles managerial effectiveness	9.3	56.5	19	14.9	.4
31.	Normally complaints are viewed positively	16.7	44.6	14.5	21.2	3.
32.	Keeping frequent contacts with higher-ups is viewed negatively by the work grouped members	10.2	36.8	18.4	31.2	3.3
33.	Communications with the higher officials will definitely have negative repercussions	6.5	15.2	17.7	54.5	6.1
34.	Suggestions from employees are not taken seriously	3.2	21.4	8.6	48.3	18.6
35.	There is a good understanding when communicating with higher ups	12.3	60.6	11.2	13.9	222 2
36.	Filtering of information by superiors delays remedial action	11.7	49.6	14.7	21.9	2
37.	Negative feedback often gets filtered out as it moves up the organizational hierarchy	8.9	41.3	19.5	26	4.3
38.	Constructive opinions/suggestions fetches appreciation	20.1	61.2	8.	10.2	.6
39.	Indiscriminate meddling of information is discouraged in this organization	10.6	49.6	19.5	20.1	.6
40.	Screening reduces the intensity of information	9.5	55.4	16.4	18.2	.6
41.	'Higher ups' are able to sensitize genuineness of opinions/ suggestions/ complaints	13	58.7	14.7	12.5	1.1
42.	Inability to attend genuine opinions/suggestions/complaints hampers functioning	17.1	56.1	11.9	14.3	.6
43.	Delay in passing on complaints is viewed seriously	13	51.9	17.7	16.7	.7
44.	Genuine grievances are acted upon immediately	11.2	61.5	12.5	12.6	2.2
45.	Complaints are acted upon rationally	8.9	57.6	18	14.7	.7

46.	On occasions distorted communications led to wrong actions	14.7	67.5	11.7	5.4	.7
47.	Report based on concrete instances facilitates acceptance of ideas/suggestions/opinions	22.1	58.6	9.7	8.2	1.5
48.	It is a practice to filter the information in order to be in the good books of the superiors	10.8	34.9	16.5	29.9	7.8
49.	Frequent distortion of information hinders the enthusiasm of the superiors to act	12.8	57.6	16.2	12.8	.6
50.	Status barriers are a hindrance for free flow of information across	12.6	42.4	11.5	31.6	1.9
51.	Frequent interactions along hierarchical lines reduces status barriers	21	51.3	12.5	13.9	1.3

(SA=Strongly agree, A=Agree; I=Indifferent, D=Disagree; SD=Strongly disagree)

distorted communications led to wrong actions (82.2%). 47% of the personnel expressed their apprehensions that the work group members viewed communication with higher ups negatively. The personnel opined that sometimes the managerial effectiveness got affected and functioning was hampered partly due to inability on the part of the superiors to attend to genuine suggestions \ complaint or opinions (73%) or partly due to sheer volume of facts communicated (65.8%).

Larson and King (1973) substantiate these findings that information is distorted and manipulated in organizations. There is a tendency for subordinates to send favorable information quickly and accurately to their superiors, while distorting or blocking unfavorable information. Smith and Keil (2003) found that losses are sometimes increased by the reluctance of organizational members to transmit negative information concerning a project and its status. Kumar (1994) revealed that in over-supervised and over-controlled organizations, employees avoid communications with their superiors because they think that the former wants to hear good things and not problems, superiors are only interested in compliance and hence the results are passive maladaptive organizational behavior. Rosen and Tesser (1975), Jablin (1979) name this practice as the MUM (minimize unpleasant messages) effect that refers to the tendency of subordinates in a given organization to try to create a favorable impression on their superiors by passing only pleasant information up through the organization. A major conclusion that emerges from the above findings is that albeit the superiors are found to be positive, sensitive and encouraging, yet there is a practice to filter the information especially the negative feedback, and the screening of the information adversely influenced the enthusiasm of the higher ups and sometimes lack of action on the suggestions or complaints hampers the functioning in the organization.

#### 4.3.3 Nature of Horizontal Communication

Table 4.4 shows the percentage of personnel who agreed or disagreed with the various statements on a five-point scale for horizontal communication.

68.6% to 88.1% of the personnel agreed with the statement numbers 52, 53, 54, 56, 57, 58, 59, 61, 62 and 63 while personnel ranging from 6.5% to 19.3% disagreed and 5% to 12.1% showed indifference to these statements (Table 4.4).

Table 4.4 indicates that majority of the personnel agreed that in their view, mutual functional support and cooperation between departments was encouraged

**Table No 4.4 Nature of Horizontal Communication**

S.No	Statement	SA	A	I	D	SD
52.	Mutual exchanges between task group members help to develop interpersonal skills	24.2	63.9	5.4	5.2	1.3
53.	Horizontal interaction facilitates coordination	23.4	63.2	6.7	5	1.7
54.	Openness in communication across departments builds trust	31.6	54.1	5.9	6.9	1.5
55.	Maintaining departmental boundaries hinders judicious utilization of resources	14.5	59.5	10.4	13.9	1.7
56.	Discussions among task group members help to integrate and coordinate goal directed effort	25.1	60.6	5.8	8.4	.2
57.	Periodic meets between departments facilitate sharing of information	29.	56.1	5	9.9	
58.	Relevant information is usually shared between concerned departments	23	56.1	9.1	10.6	1.1
59.	Sharing of information and ideas between task group members improves efficiency	31	55	5.8	8	.2
60.	Interdepartmental meeting generate a 'they against us' attitude	7.6	33.6	14.9	35.7	8.2
61.	Cooperation rather than conflict between departments is encouraged	15.1	53.5	12.1	17.3	2
62.	Concealing of information useful to other departments is discouraged	11.9	39.8	14.5	30.3	3.5
63.	Mutual Functional support between departments is encouraged in this organization	19.5	51.5	12.5	14.1	2.4

(SA=strongly agree, A=Agree; I=Indifferent, D=Disagree; SD=strongly disagree)

(71% and 68.6%), Open communication and discussion across departments and among task group members helped in building trust (85.7%), in integrating and

coordinating goal directed effort (85.7%), departments shared relevant information during periodic meets (85.1%), which improved their efficiency (86%).

However, 74% of the personnel opined that maintaining departmental boundaries hindered utilization of resources (Table 4.4) With the statement, that interdepartmental meeting generated a ‘they against us attitude’, 41.2 % agreed while 43.9% disagreed and 14.9% remained indifferent. The findings by Albaum(1964) and Schwitter (1965) lend partial support to findings of the present study that people in different departments often have differing goals and viewpoints which can lead to destructive conflicts thereby inhibit performance. The results thus unravel that in the perception of the personnel working at different levels of management in the automotive industry, the nature of horizontal communication was to a great extent found to be characterized by desirable characteristics except there was not judicious utilization of resources due to maintaining of departmental boundaries.

#### **4.4 Relationship between Perceived Effectiveness of Organizational Communication and Organizational Effectiveness**

The results of Pearson Product Moment correlations between scores on various dimensions of perceived effectiveness of organization communication namely, downward, upward, and horizontal communication and total score on perceived effectiveness of organizational communication and organizational effectiveness are given in Table 4.5

**Table 4.5 Correlations between Organizational Effectiveness and Organizational Communication and Its dimensions**

<b>Dimensions of OC</b>	<b>Correlation with OE total</b>
Downward communication	.67**
Upward communication	.62**
Horizontal communication	.56**
Communication overall	.73**

df:536 Table value for r significant at.01 Level\*\* =.115

significant at.05 Level\* =.088

All correlations between organizational effectiveness and organizational communication and its dimensions were found to be significant at.01 level. These results indicate that there exists significant positive correlation between perceived

effectiveness of organizational communication and organizational effectiveness which implies that higher the perceived organizational communication, higher will be the perceived organizational effectiveness and vice-versa. The results are discussed below:

#### **4.4.1 Organizational Effectiveness and Downward Communication**

The correlation between organizational effectiveness and downward communication (.67, Table 4.5) was found to be significant at .01 level of significance indicating a significant positive relationship between organizational effectiveness and downward communication. This implies that higher the perceived effectiveness of organizations, higher will be the perceived effectiveness of downward communication and vice-versa. In organizations perceived to be effective, downward communication will be characterized by accuracy, timeliness, preciseness and clarity of information to subordinates, constructive feedback, use of different modes of communication, repetition of important messages. These findings are corroborated by the research findings of Kaufman et al (1994); Adams et.al (1995); Witherspoon et.al (1996); Stroh (2002); Appelbaum et al (2003). These studies focused on communicating effectively with external and internal audiences in crisis, especially employee communication. According to these researchers, at such times, organizational communication is one of the key factors in containing damage to the company's reputation and determining effectiveness. Kaufman et.al. (1994) suggested that a careful and right kind of communications from the management help organizations to survive the thorniest of the challenges. Witherspoon et.al. (1996) findings revealed that differential distribution of downward communication and inconsistent use of the potential of new communication technologies such as e-mail affected the functioning of the organization. Daly et.al. (2003) found that there was a strong relationship between efficacy of internal communication and change which was dependent upon a host of common and interdependent variables, communication being one of them Appelbaum et.al (2003) highlighted that mis-management of communication strategies during organizational downsizing by the management led to a lingering and negative impact on surviving employees behavior and attitudes demonstrated by decrease in productivity, motivation, job satisfaction and increase in absenteeism

#### **4.4.2 Organizational Effectiveness and Upward Communication**

As is evident from the Table 4.5, there exists a significant positive relationship between organizational effectiveness and upward communication ( $r=62$ ). This implies that higher the perceived effectiveness of organization, higher will be the perceived effectiveness of upward

communication and vice-versa. In organizations perceived to be highly effective, upward communication will be characterized by encouragement to the employees to express their opinions, suggestions, sharing all kinds of information with their superiors including the unpleasant messages, acceptance and appreciation of constructive opinions/suggestions from subordinates substantiated by concrete instances. These findings of the present study are supported by the findings of other research studies like Argentice, 1976; Raj. (1991); Morley et.al. (1997); Kiyomiyan, (2000); Priyadarshani and Venkatpathy.(2003); Malik and Goyal. (2003). Studies by Raj (1991) and Kiyomiyan (2000), revealed that by adopting a system of constant communicative interactions led to successful functioning of State Bank of India and was a key to the success in multinational organizations respectively. Morley et.al. (1997) demonstrated that in the organizations where communication needs of the employees remained unmet led to low estimation of organizational effectiveness. Similarly, Priyadarshani and Venkatpathy (2003) found high correlation between two-way communication, productivity and decision-making. And the findings of some of the studies highlighted the negative impact lack of quality communication can have on the organizational effectiveness. For instance Malik and Goyal (2003) found that the low quality information received through e-mail from subordinates led to decline in organizational effectiveness. Hence it can be concluded, based on the findings of the present study that in the absence of effective upward communication, the effectiveness of organization also gets affected.

#### **4.4.3 Organizational Effectiveness and Horizontal Communication**

Table 4.5 shows that there is a significant positive relationship ( $r=.56$ ) between organizational effectiveness and horizontal communication. It can be interpreted that higher the perceived effectiveness of organization, the higher will be the perceived effectiveness of horizontal communication and vice-versa. In organizations perceived to be effective, horizontal communication will be characterized more by coordination, information sharing, and problem solving between departments, trusts across the departments, and openness in communication, constructive confrontation, and full expressions. The findings of the present study substantiate the findings of earlier studies on horizontal communication. Massey (1975) highlighted that well coordinated organizations achieve success because of the subtle, unplanned and often unconscious use of some type of automatic horizontal communication. Argentice (1976) reported that successful companies use teams and collaborative work group to make fast decisions required to succeed in a global and competitive marketplace. Ghoshal et.al (1994) found that interpersonal relationships developed through lateral networking mechanism such as joint work in teams, taskforces, and meetings have positive effect on inter and intra unit communication. Thus it can be concluded that there exist significant positive correlation between horizontal communication and organizational effectiveness.

#### 4.4.4 Organizational Effectiveness and Overall Organizational Communication

A significant positive correlation ( $r=.73$ , table 4.5) was found between organizational effectiveness and overall organizational communication effectiveness implying that the higher the perceived organizational effectiveness the higher will be the effectiveness of overall organizational communication and vice versa. It can be inferred that the higher the perceived effectiveness of organizations, the higher will be the effectiveness of downward, upward and horizontal communication. Earlier studies by Massey (1975); Muchinsky (1977); Roy (1990); Maloney (1993); Kumar (1994); Noone (1996); Pettit (1997) support the findings of the present study.

Thus the first hypothesis that there exists significant positive relationship between the perceived effectiveness of organization communications with respect to its dimensions namely downward, upward and horizontal communication and perceived organizational effectiveness stands accepted.

#### 4.5 Extreme Group Comparisons

On the basis of organizational effectiveness scores, top 27% and bottom 27% groups were selected and extreme group comparisons were then made on the dimensions of organizational communication that is downward, upward and horizontal communication and its total score. Means and standard error of mean ( $SE_M$ ), of extreme groups (27% top and 27% bottom) and t-ratios are given in Table 4.6 and discussed below:

**Table 4.6: Extreme Group Comparisons on Organizational Communication Effectiveness and its Dimensions**

Variable	Mean		$SE_M$		t-ratios
	High on OE	Low on OE	High on OE	Low on OE	
Downward Communication	67.29	49.12	0.90	0.59	16.74**
Upward Communication	79.11	65.54	0.76	0.56	14.42**
Horizontal Communication	32.32	24.47	0.48	0.28	14.04**
Overall Organizational Communication	178.73	139.15	1.70	0.96	20.17**

df=145, Table value of t at.01 level of Significance = 2.61

at.05 level of Significance = 1.98

Significant differences were found between extreme groups on organizational effectiveness for all dimensions of organizational communication and overall

organizational communication scores as is evident from Table 4.6. In case of downward communication, mean score of top 27% (M=67.29, Table 4.6) was found to be significantly higher than the mean score of bottom 27% (M=49.12, Table 4.6) indicating that those who perceived their organizations to be effective (i.e. characterized by clarity of vision, mission statements in accordance with the vision, appropriate planning, structure, processes and integration of technology in communication and appropriate employee policies etc.), perceived downward communication to be more characterized by timeliness, preciseness and appropriateness of job instructions and feedback to the subordinates, achievement of targets and use of various channels to facilitate the reception of messages than those who perceived organizations to be less effective.

The mean score of top 27% (M=79.11, Table 4.6) for upward communication was found to be significantly higher than the mean score of bottom 27% (65.54, Table 4.6) indicating that those who perceived organizations to be highly effective perceived upward communication to be more characterized by two-way communication, sensitivity of the superiors to the suggestions and opinions of their subordinates, confidence of the subordinates to share all kinds of information including the unpleasant ones, than those who perceived organizations to be less effective.

Similarly, for horizontal communication, mean score of top 27% (M=32.32, Table 4.6) was found to be significantly higher than the bottom 27% (M=24.47, Table 4.6). Horizontal communication was perceived to be more effective in terms of transparency, openness, cooperation and sharing of relevant information between departments by those who perceived their organizations to be more effective (i.e. organizations with appropriate vision, mission, annual strategic planning, structure leadership, effective role of Board of Directors, quality product and customer service etc.) than those who perceived their organizations to be less effective.

In case of overall communication, mean score of top 27% (M=178.73, Table 4.6) was found to be significantly higher than bottom 27% (M=139.15, Table 4.6). This indicates that those who perceived their organizations highly effective also perceived the overall organizational communication to be more effective in terms of downward, upward and horizontal communication as compared to those who perceived their organizations to be less effective. The findings of the earlier studies by Farmer (1999); Priyadarshani and Venkatpathy (2003); Papadakis (2005); Morley et.al. (1997) lend support to the findings of the present study. The results of correlation

between organizational effectiveness and organizational communication and its dimensions also lend support to the findings of the comparison of extreme groups.

Thus the second hypothesis that there exist significant differences between the extreme groups on perceived organizational effectiveness with regard to perceived effectiveness of organizational communication and its dimensions namely downward, upward and horizontal communication in the automotive industry stands accepted.

#### 4.6 2x3 ANOVA For Perceived Effectiveness of Organizational Communication

To study the main effect of state, levels of management and their interactional effect on the perceived effectiveness of organizational communication and its dimensions, 2x3 ANOVA was applied and t-ratio were worked out wherever F was found to be significant. Summary of 2x3 ANOVA applied on downward, upward and horizontal and overall organizational communication scores is given in Table 4.7, 4.11, 4.15, and 4.19 respectively.

##### 4.6.1 2 x 3 Analysis of Variance for Downward Communication

The results of computation for downward communication are summarized in Table 4.7

**Table 4.7: Summary of the 2 x 3 ANOVA for Downward Communication in Automotive Industry of Punjab and Haryana**

Sources of Variation	Sum of Squares	df	Mean Sum of Squares	F
State (2)	214.25	1	214.25	1.91
Levels of Mgmt. (3)	1202.08	2	601.04	5.36
State into Levels of Mgmt. (2*3)	369.51	2	184.75	1.64
Within	59589.08	532	112.01	
Total	62877.68	537	117.09	

df 1, 532 F Significant at.01 level = 4.85

F Significant at.05 level = 3.01

df 2, 532, F Significant at.01 level = 6.69

F Significant at.05 level = 3.86

##### (a) States and Downward Communication

It is evident from the insignificant F-ratio of 1.91 (Table 4.7) that state had no effect on downward communication. The result implies that there were no significant differences between the automotive industry of Punjab and Haryana with regard to the perceived effectiveness of downward communication. Table 4.8 shows the means and SD of downward communication in the automotive Industry of Punjab and Haryana.

**Table 4.8: Mean Scores and Standard Deviation for Downward Communication in the Automotive Industry of Punjab and Haryana**

State	No of Personnel	Downward Communication	
		Mean	SD
Punjab	273	56.79	11.64
Haryana	265	60.33	9.60

The mean scores on downward communication for automotive industry in Punjab and Haryana were found to be 56.79 and 60.33 respectively. (Table 4.8) Personnel working in these firms find downward communication equally characterized by appropriateness, preciseness, job instructions, explanation of rationale behind the task which helped them in understanding their jobs and achieving organizational goals and targets, use of multiple channels of communication, performance feedback, repetition of messages etc. The insignificant differences in Punjab and Haryana automotive industry could be due to similar culture of the two states i.e. people within these two states have more or less similar values, ethics, habits etc.

**(b) Management Levels and Downward Communication**

F-ratio of 5.37 (Table 4.7) for downward communication was found to be significant at.05 level indicating that there exist significant differences among top management, middle management and lower management levels regarding perceived effectiveness of downward communication in the automotive industry. Table 4.9 shows the means and t-ratios of downward communication in the automotive Industry of Punjab and Haryana.

**Table 4.9: Significance of Difference between Means of Top, Middle and Lower Management Level Personnel on Downward Communication**

Management	Number	Mean	SE <sub>M</sub>	Group	t-ratio
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Levels				Differences	
Top Mgmt <sup>TM</sup> )	43	58.55	2.03	TM & MM	1.008
Middle Mgmt.	185	60.75	0.79	TM & LM	0.63
Lower Mgmt.	310	57.21	0.58	MM & LM	3.59**

t-Ratios

df	Significant at.01 level	Significant at.05 level
226	2.60	1.97
351	2.59	1.97
493	2.59	1.96

t-ratios entered in (Table 4.9) indicate that there were significant differences between middle management and lower management regarding perceived effectiveness of downward communication in automotive industry. Middle management personnel perceived downward communication to be more effective (M=60.75, Table 4.9) than the lower management personnel (M=57.21, Table 4.9) Middle management personnel were of the opinion that they received more appropriate, adequate, clear job instructions than the lower management personnel and that constructive feedback from superiors helped them in improving their performance. In addition, they felt that there was more use of multiple channels of communication as compared to lower management personnel. This could be explained on the basis, that personnel at lower management levels may be getting messages through too many channels leading to confusion or they may not be getting enough and timely information from their superiors. Differences between top and middle management personnel and top and lower management level personnel were however found to be insignificant as is evident from insignificant t-ratios (t= 1.00; 0.63, Table 4.9). The personnel at top management level found downward communication in the automotive industry equally characterized by clarity, preciseness and timely transmission of information, appropriateness of feedback, and use of multiple channels of communication as by the middle and the lower management personnel.

**(c) Interactional Effect of State and Levels on Perceived Effectiveness of Downward Communication in the Automotive Industry of Punjab and Haryana**

As is evident from F-values.164(Table4.7), Interactional effect of state varied at two levels, and levels of management varied at three levels was found to be insignificant on downward communication. The result indicates that there exist no significant differences among six groups on the basis of state and levels of management. All the groups perceived downward communication equally effective in the automotive industry. Means and SDs for six groups entered in Table 4.10 shows that middle management personnel in the automotive industry of Haryana had slightly higher mean effectiveness score on downward communication (M=62.46, Table4.10), than the rest of the five groups.

**Table 4.10: Interactional Effect of State and Levels on the Perceived Effectiveness of Downward Communication in the Automotive Industry of Punjab and Haryana**

State	Mgmt. Levels	Downward Communication	
		Mean	SD
Punjab	Top mgmt	59.80	18.00
	Middle mgmt	58.75	12.97
	Lower Mgmt	55.44	9.71
Haryana	Top mgmt	57.47	7.46
	Middle mgmt	62.46	8.27
	Lower Mgmt	59.30	10.50

#### 4.5.2 2x3 ANOVA for Perceived Effectiveness of Upward communication

The results of computation for upward communication are summarized in Table 4.7

**Table 4.11: Summary of 2x3 ANOVA for Perceived Effectiveness Upward Communication in the Automotive Industry of Punjab and Haryana**

Sources of Variation	Sum of Squares	df	Mean Sum of Squares	F
State (2)	31.29	1	31.29	.331

<b>Levels of Mgmt. (3)</b>	741.77	2	370.88	3.924
<b>State into Levels of Mgmt. (2×3)</b>	9.856	2	4.92	.052
<b>Within</b>	50284.94	532	94.521	
<b>Total</b>	51149.55	537	95.251	

df 1, 532 F Significant at.01 level = 4.85

F Significant at.05 level = 3.01

df 2, 532, F Significant at.01 level = 6.69

F Significant at.05 level = 3.86

#### (a) State and Upward Communication

No significant differences were found in the perceived effectiveness of upward communication by personnel working in the automotive industry of Punjab and Haryana as is evident from insignificant F value of.331 (Table4.11).

Mean scores and Standard Deviations for upward communication in the automotive industry of Punjab and Haryana are given in Table 4.12.

**Table 4.12: Mean scores and Standard Deviation for Upward Communication in the Automotive Industry of Punjab and Haryana**

State	Number of Personnel	Upward Communication	
		Mean	SD
<b>Punjab</b>	273	70.78	9.63
<b>Haryana</b>	265	71.66	9.88

Personnel working in the automotive industry of Punjab and Haryana perceived upward communication in their organizations equally characterized by two way communication, encouragement to express opinions and suggestions, sharing of all kinds of information with their superiors including the unpleasant messages, acceptance and appreciation of constructive opinions\ suggestions from subordinates.

As explained earlier, insignificant differences in the perceived effectiveness of upward communication in the automotive industry of Punjab and Haryana could be attributed to similarity of culture of two states.

**(b) Management Levels and Upward Communication**

With respect to effectiveness of upward communication, significant differences among the top, middle and lower level personnel were observed ( $F=3.92$ ; Table 4.11) in the automotive industry. Mean,  $SE_M$  and t-ratios are entered in Table 4.13.

**Table 4.13: Significance of Difference between Means of Top, Middle and Lower Management Level Personnel on Upward Communication**

Mgmt.Levels	Mean	$SE_M$	Group Differences	t-ratio	Df
Top Mgmt	67.41	1.60	TM & MM	2.63**	226
Middle Mgmt.	72.05	0.72	TM & LM	2.26*	351
Lower Mgmt.	71.24	0.54	MM & LM	0.89	493

t Ratios

df	Significant at.01 level	Significant at.05 level
226	2.60	1.97
351	2.59	1.97
493	2.59	1.96

In case of upward communication significant differences in the perceptions of top and middle management personnel (2.63, Table4.13) and between the top and the lower management personnel ( $t=2.26$ , Table 4.13) were observed. Both the middle management ( $M=72.05$ , Table 4.13) and lower management ( $M=71.24$ ; Table 4.13) personnel in the automotive industry perceived upward communication to be more effective than the top management personnel ( $M=67.41$ ; Table 4.13). Superiors in automotive industry were perceived to be more approachable, receptive to upward directed communication and more interactive by middle and lower management personnel than top management personnel. The possible reasons for the personnel at the top management levels perceiving the upward communication less effective could be that there are less frequent interactions between Board of Directors and CEO and top management personnel, screening of information at every levels, keeping contact with higher ups being viewed negatively and greater status barriers.

**(c) Interactional Effect of State and Levels on Perceived Effectiveness of Upward Communication In the Automotive Industry of Punjab and Haryana.**

As is evident from F-value 0.052, Table 4.11), Interactional effect of state varied at two levels, and levels of management varied at three levels was found to be insignificant on upward communication. The result indicates that there exist no significant differences among six groups on the basis of state and levels of management. The means and SDs for six groups are entered in Table 4.14. All the groups perceived upward communication equally effective in the automotive industry. Middle management personnel in the automotive industry of Haryana had slightly higher mean effectiveness score on upward communication (M=72.37, Table4.14), than the rest of the five groups.

**Table 4.14: Interactional Effect of State and Levels on Upward Communication In the Automotive Industry of Punjab and Haryana**

State	Mgmt. Levels	Upward Communication	
		Mean	SD
Punjab	Top mgmt	67.30	14.23
	Middle mgmt	71.68	10.56
	Lower Mgmt	70.74	8.37
Haryana	Top mgmt	67.52	5.99
	Middle mgmt	72.37	9.19
	Lower Mgmt	71.83	10.71

**4.5.3 2×3 ANOVA for Perceived Effectiveness of Horizontal Communication**

The results of 2×3 ANOVA for Horizontal Communication are given in Table 4.15.

**(a) State and Horizontal Communication:**

F value of 4.11 (Table 4.15) was found to be insignificant indicating that state had no effect on the perceived effectiveness of horizontal communication in the automotive industry of Punjab and Haryana. The result implies that there were no significant differences between the automotive industry of Punjab and Haryana with regard to perceived effectiveness of horizontal communication.

**Table 4.15: Summary of 2x3 ANOVA for Perceived Effectiveness of Horizontal Communication in the Automotive Industry of Punjab and Haryana**

Sources of Variation	Sum of Squares	df	Mean Sum of Squares	F
State (2)	124.42	1	124.42	4.11
Levels of Mgmt. (3)	277.77	2	138.88	4.58
State into Levels of Mgmt. (2*3)	13.35	2	6.67	.22
Within	16104.62	532	30.27	
Total	16724.580	537	31.144	

df 1, 532 F Significant at 0.01 level = 4.85

F Significant at.05 level = 3.01

df 2, 532 F Significant at.01 level = 6.69

F Significant at.05 level = 3.86

Table 4.16 shows means and SDs for horizontal communication in the automotive industry of Punjab and Haryana.

**Table 4.16: Mean scores and Standard Deviation for Horizontal Communication in the Automotive Industry of Punjab and Haryana**

State	No of Personnel	Horizontal Communication	
		Mean	SD
Punjab	273	27.13	5.29
Haryana	265	28.68	5.76

On horizontal communication mean score of automotive industry of Haryana state(28.68, Table 4.1) was found to be slightly higher than the mean score(27.13, Table 4.16) of automotive industry of Punjab state. Personnel working in these firms find horizontal communication equally characterized by proper coordination and cooperation among various departments, trust, openness and transparency and judicious use of resources.

**(b) Levels of Management and Horizontal Communication**

F-ratio 4.59 (Table 4.15) was found to be significant at 0.05 levels indicating that there exist significant differences among three management levels namely top, middle and lower management level with respect to effectiveness of horizontal communication in the automotive industry of Punjab and Haryana. Table 4.17 shows the significance of differences between means for horizontal communication.

**Table 4.17: Significance of Difference between Means of Top, Middle and Lower Management Level Personnel on Horizontal Communication**

Mgmt.Levels	Mean	SEM	Group Differences	t-ratio	df
Top Mgmt	25.51	1.01	TM & MM	2.40*	226
Middle Mgmt.	28.11	0.39	TM & LM	2.44*	351
Lower Mgmt.	28.10	0.31	MM & LM	.038	493

df	t Ratios	
	Significant at.01 level	Significant at.05 level
226	2.60	1.97
351	2.59	1.97
493	2.59	1.96

Significant differences were observed between top management personnel and middle management personnel (t=2.40; Table 4.17) and top management and lower management personnel (t=2.44; Table 4.17). Like upward communication, in this case also, middle management (M=28.11, Table 4.17) and lower management (M=28.10; Table 4.17) personnel found the horizontal communication to be more effective than the top management (M=25.51; Table 4.17) personnel in automotive industry. Both middle management and lower management personnel perceived horizontal communication to be more characterized by mutual functional support, mutual exchanges between various groups, sharing of relevant information between concerned departments than the personnel at the top management level. In other words, top management perceived horizontal communication to be less effective in the automotive industry compared to middle and lower management personnel. This can be explained on the basis that there is less interaction, transparency, trust or sharing of important information among top management personnel and it could be due to sense of competition and personal or inter -department jealousies.

**(c) Interactional Effect of State and Levels on Horizontal Communication in the automotive industry of Punjab and Haryana.**

As is evident from F-value .221 (Table4.15), Interactional effect of state varied at two levels, and levels of management varied at three levels was found to be insignificant on horizontal communication. The results indicate that there exist no significant differences among six groups on the basis of state and levels of management. All the groups perceived horizontal communication equally effective in the automotive industry. Table 4.18 shows means and SDs for horizontal communication for the six groups. The means and SDs for six groups entered in Table4.18 show that lower management personnel in the automotive industry of Haryana had slightly higher mean effectiveness score on horizontal communication (M=29.09, Table4.18), than the rest of the five groups. While top management personnel in the automotive industry of Punjab had the least mean score on horizontal communication.

**Table 4.18: Interactional Effect of State and Levels on Upward Communication in the Automotive Industry of Punjab and Haryana**

State	Mgmt. Levels	Horizontal Communication	
		Mean	SD
Punjab	Top mgmt	25.10	8.60
	Middle mgmt	27.36	6.08
	Lower Mgmt	27.26	4.24
Haryana	Top mgmt	25.87	4.47
	Middle mgmt	28.76	4.61
	Lower Mgmt	29.09	6.53

#### **4.6.4 2×3 ANOVA for Overall Organizational Communication in the Automotive Industry of Punjab and Haryana.**

The results of 2 ×3 ANOVA for overall organizational communication are given in Table 4.19

**Table 4.19: Summary of the 2x3 ANOVA for Overall Organizational Communication in the Automotive Industry of Punjab and Haryana**

Sources of Variation	Sum of Squares	df	Mean Sum of Squares	F
State (2)	985.11	1	985.11	1.990
Levels of Mgmt. (3)	3500.45	2	1750.22	3.536
State into Levels of Mgmt. (2*3)	617.80	2	308.90	.624
Within	263326.54	532	494.97	
Total	272415.38	537	507.29	

df 1, 532 F Significant at 0.01 level = 4.85

F Significant at.05 level = 3.01

df 2, 532 F Significant at.01 level = 6.69

F Significant at.05 level = 3.86

**(a) State and Overall Organizational Communication**

It is evident from the insignificant F- ratio (1.99, Table 4.19) that state had no effect on effectiveness of overall organizational communication. The result reveals that there were no significant differences found between the automotive industry of Punjab and Haryana with regard to effectiveness of overall organizational communication. Means and SDs for overall organizational communication in the automotive industry of Punjab and Haryana are entered in Table 4.20. Mean scores for overall organizational communication in case of automotive industry of Haryana.

**Table 4.20: Mean and Standard Deviation of Overall Organizational Communication) of Automotive Industry in Punjab and Haryana**

State	No of Personnel	Organizational Communication (total)	
		Mean	SD
Punjab	273	154.71	23.28
Haryana	265	160.68	21.32

(M=160.68, Table 4.20) was found to be slightly higher than the mean score (M=154.71, Table4.20) automotive industry of Punjab.

Personnel working in these firms find overall organizational communication equally characterized by appropriateness and clarity of job instructions, explanation of rationale behind tasks, use of multiple channels of communication, information to employees regarding importance of their contributions and appropriateness of feedback. They were of the opinion that suggestions were transmitted to concerned individuals, complaints were positively viewed, constructive feedback fetched appreciation from superiors and there was mutual functional support, cooperation, openness and sharing of relevant information.

**(b) Levels of Management and Overall Organizational Communication**

The main effect of levels of management on overall organizational communication was found to be significant at 0.05 level as is evident from the Table 4.19 (F value 3.55, Table 4.19) indicating that there exist significant differences among top management, middle management and lower management level personnel regarding effectiveness of overall communication in the automotive industry. Table 4.21 shows the results of significance of differences between means of top, middle and lower management for overall organizational communication.

**Table 4.21: Significance of Difference between Means of Top, Middle and Lower Management Level Personnel on Overall Organizational Communication**

Mgmt.Levels	Mean	SEM	Group Differences	t-ratio	df
Top Mgmt	151.48	4.34	TM & MM	2.03*	226
Middle Mgmt.	160.93	1.64	TM & LM	1.12	351
Lower Mgmt.	156.55	1.21	MM & LM	2.13*	493

df	t Ratios	
	Significant at.01 level	Significant at.05 level
226	2.60	1.97
351	2.59	1.97
493	2.59	1.96

It is evident from significant t- ratios 2.03 and 2.13 (Table 4.21) that there exist significant differences between personnel at top management and middle management level and personnel at middle management and lower management level respectively regarding the effectiveness of overall organizational communication in automotive industry. Personnel at middle management level (M=160.93, Table

4.21) perceived overall organizational communication to be more effective than the top management (M=151.48, Table 4.21) level and lower management level personnel (156.55, Table 4.21). These differences could be explained on the basis of reasons that have already been cited earlier in case of downward, upward and horizontal communication.

**(c) Interactional Effect of State and the Levels of Management on Overall Organizational Communication**

As is evident from F-value 0.624 (Table4.19) Interactional effect of state and levels of management were found to be insignificant on overall communication. The means and SDs for six groups are entered in the Table4.22.

**Table 4.22: Interactional Effect of State and Levels on Overall Organizational Communication in the Automotive Industry of Punjab and Haryana.**

State	Mgmt. Levels	Overall Organizational Communication	
		Mean	SD
Punjab	Top mgmt	152.20	39.27
	Middle mgmt	157.80	26.53
	Lower Mgmt	153.80	18.61
Haryana	Top mgmt	150.87	14.78
	Middle mgmt	163.59	17.93
	Lower Mgmt	160.23	23.87

The results indicate that there exist no significant differences among six groups on the basis of state and levels of management. All the groups perceived overall communication equally effective in the automotive industry. Middle management personnel in the automotive industry of Haryana had slightly higher mean effectiveness score on overall organizational communication (M=160.59, Table4.22) than the rest of the five groups. Thus the third hypothesis that state has no significant effect on the perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry stands accepted. The fourth hypothesis that levels of management has a significant effect on the perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry stands accepted.

Thus the fifth hypothesis that there is a significant interactional effect of the state and the levels of management on the perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry stands rejected.

## **Chapter 5**

### **SUMMARY, CONCLUSIONS AND SUGGESTIONS**

A summary of the total investigation giving briefly the genesis of the problem, statement of the problem, objectives, hypotheses, design of the study, methodology used and analysis of data and results and their importance and implications is presented in this chapter, with conclusions and suggestions for further research.

#### **5.1 Introduction**

##### **5.1.1 Importance of Communication in Organizations**

Nearly every modern work on organizations indicates that communication local, regional, national or international- is the plank on which successful business management rests. Achieving success in today's workplace is closely tied to the ability of employees and managers to communicate effectively with each other and with people outside the organization. The effective communication increases productivity, not only of managers but of organizations as well. Good communications skills help one to anticipate problems, make decisions, coordinate works flow, supervise others, develop relationships, and promote products and services (Bovee, 2005). Effective communication takes on added importance when employees are experiencing the upheaval and dislocation that accompanies organizational change and renewal. The degree of effectiveness of the change is positively correlated with the degree of effectiveness of the communication strategy (Huseman & et.al, 1986).

However with the advent of information age, characterized by advances in technology, globalization, culturally diverse and enlightened work force has changed the character, needs, and importance of organizational communication. In today's fast paced, e-commerce environment, more and more business is conducted on a

global scale resulting in workforce diversity. Further, today's new generation of employees have different values and needs. They have higher expectations "They want to make their own decisions. They want to share their ideas and their enthusiasm and not just be told what to do" (Schaefer). Hence the communication challenges of a manager have only increased. Most of the management theories emphasize that the manager's fundamental task is to gain an understanding of how people can better interact and relate to one another in organizational context. Kanter (1991) emphasizing the importance of communication and other human oriented activities argued "new managerial work involves communication and collaboration across functions, across divisions and across companies. .... And having the knowledge, skills, and sensitivity to mobilize people and motivate them to do their best."

Organizational communication can be broadly categorized into two namely external and internal communications. Internal communication is further grouped into formal and informal communication. Formal communication is characterized by downward, upward and horizontal communication and it can take different forms like oral, written and non-verbal form. Number of barriers to vertical and lateral organizational communication have been identified which could impede the smooth flow of communication (Fisher, 1999) These barriers, if left unattended, can lead to slow or ineffective communication, which in turn can act as roadblocks to organizational progress and adversely affect the organizational effectiveness.

### **5.1.2 Organizational Effectiveness: Concept and Measurement**

The study of effectiveness of organizations has acquired a significant role in modern industrial society, first because, energy, human resources, finance etc., are invested in industrial organizations everyday (Reddy et al, 2000). And secondly, interest in this topic has heightened by a growing appreciation of the vital role played by organizations in the life of people in the contemporary society. People have become dependent on organizations of various types for the satisfaction of their needs, and their need satisfaction directly depends on the degree of effectiveness of organizations. As such, understanding of organizational effectiveness is of vital importance for the society at large. Concept of organizational effectiveness, however, is filled with obstacles regarding assessment, namely the criteria problems, criteria choices and the unique attributes of the organizations involved (Verma and Jain, 1996). It has been one of the most elusive research subjects since the early development of organization theory. Discussions pertaining to the field of

organizational effectiveness have generated great amount of diversity among various theorists. Campbell (Prasad, 2006), commented, "Since an organization can be effective or ineffective on a number of different facets that may be relatively independent of one another, organizational effectiveness has no operational definition."

Researchers for measuring effectiveness have used a number of indicators that can be grouped into a) Objective Indicators - profit, production rate, etc. and b) Subjective indicators - employee satisfaction, quality of work life, job satisfaction, organizational climate etc. (Sayeed, 1992) Based on these approaches, researchers have offered a variety of models for examining organizational effectiveness. The most widely used models are the Goal model Price and Seashore (Jain,1996); the System Resource model,Seashore & Yuchtman(Jain, 1996); the Internal Process/Maintenance model (Bennis, 1966); and the Legitimacy model Miles and Cameron(Jain,1996);Competing Values Model (Quinn and Rohrbaugh,1983);10-P framework(Jain,2001) Mckinsey's 7-S framework(Bhattacharya,1985) or the Balanced Scorecard( Kaplan and Norton) etc. Despite the efforts of theorists from a variety of fields to define and measure organizational effectiveness, a theory of organizational effectiveness, which is universally applicable across organizations, has failed to emerge. What leads to organizational effectiveness in one organization may not necessarily have validity in another organization's context, given its unique market, technology, competition related context and its values, styles and beliefs, or within an organization itself, it can be effective in some aspects of its myriad operations that it performs and less so on others. Therefore it can be concluded that organizational effectiveness is a divergent problem, which does not have a single solution, nevertheless it is important to identify factors underlying effectiveness for the analysis purpose. Various studies (Srivastava and Ghadially, 1996; Roberts, 1996; Banwet et al, 1999; Koys, 2001) have identified number of factors affecting organizational effectiveness: organizational structure; leadership, communication; technology; planning; organizational culture; job satisfaction and human resource outcome etc. In the present study five broad dimensions namely planning, organizational structure, organizational culture, communication and information technology and outcome have been used to measure the effectiveness of an organization.

## **5.2 Review of Related Literature: Organizational Communication and Organizational Effectiveness**

The research in the area of organizational communication is of recent phenomenon. Earlier the research in organizational communication was inadequate and was a neglected topic. However through 1960s, 1970s, 1980s organizational communication has been the central concern and has appeared as a recurring theme in the field of management and technology. The related studies on organizational communication in the present study have been studied under three major headings a) role of communication during crisis, b) nature of communication, and c) modes of communication. Number of studies (Monippaly, (2003; Noone, 1996; Stroh, 2002; Adams, 1995; and Papadakis (2005), have found that effective communication strategies help organizations sail through crisis like takeover, mergers, downsizing etc. smoothly. Similarly other research studies (Athanassiades, 1973; Roberts and O'Reilly, 1979; Wanguri, 1984; King III, 1997; Barnett, 1992; Suchan, 1995; Hansen, 1995 etc.) have focused on nature of communication formal (downward, upward, and horizontal) and informal; the ethical component of communication, different modes or channels used to transfer information in the organizations, the impact of technology on communication, employees' preferences of channels etc.

The review of related literature on organizational effectiveness comprises of studies related to development of model of organizational effectiveness evolving criteria for measuring organizational effectiveness and these include studies by Smith and Gannon (1987); Srivastava and Ghadially (1996); Pritchard & Armistead (1999); Maltz (2001); and Shilbury and Moore (2006) etc. .Research studies by Sayeed (1991), Chien (1992); Wilhelm (1993); Hariharan and Ganeshan (1994); Roberts (1996); Verma and Jain (1996); Richard (1997); Koys (2001) etc. focused on factors affecting organizational effectiveness and these are identified as organizational structure; leadership, communication; technology; planning; organizational culture; job satisfaction and human resource outcome, etc. Truran (2001 Ogunrinde (2001) Malik and Goyal (2003) etc. did a comparative studies of different types of organizations or perceptions of people working at different organizational levels like managers or skilled workers on organizational effectiveness.

Studies by Muchinstay (1977); Maloney (1993); Sharma (1993), Anderson and Martin (1995); Witherspoon and Wohler (1996); Haas (1999); Kiyomiya (2000); Peng et al (2001); Applebaum (2003) etc. explored the role organizational communication plays

in significantly reducing the chance of escalation, limiting interference with normal business operations, and containing damage to the company's reputation especially during crisis situation.

On the basis of review of the literature on organizational communication and organizational effectiveness, it can be concluded that nature and types of communication may vary in different types of organization. Communication (formal and informal; external and internal etc.) plays an important role in organizations especially during crisis. Information and communication technologies have been integrated in communication processes in organizations and it has improved communication within and outside the organizations. Organizational effectiveness is a multi-dimensional concept. There are number of variables or factors (leadership style, organizational structure, planning, job satisfaction, organizational culture etc.) that contribute to the organizational effectiveness and these will vary from industry to industry. Communication in the organization has an effect on leadership styles, employee's morale, job performance, job satisfaction and managing relationship etc. the formal organization was perceived to be more valuable by the employees in satisfying their needs as compared to informal organization. Barriers to communication (downward, upward and horizontal) reduce effectiveness of organizational communication and in turn adversely affect organizational effectiveness. There are limited studies undertaken in the Indian context leaving much scope for further research.

### **5.1.3 Significance of the Study**

Automotive Industry since the 1990s has shown tremendous growth. Both automobile and auto component sector has shown great advances in recent years in terms of growth, spread and absorption of newer technologies and flexibility. The data obtained from Society for Indian Automobile Manufacturers (SIAM, 2005) showed high growth in the production of total vehicles that increased from 4.2 million in 1998-99 to 7.3 million in 2003-04. Overall automobile sectors bagged a growth of 15.12% in 2003-04 year and in the year 2004-05 the industry registered a growth rate of 15.06 %. The Automobile Industry performance in the year 2004-05 showed encouraging results for all segments of the automobile industry. Similarly the auto component industry has been one of the fastest growing segments of Indian automotive industry, growing by over 28%, in nominal terms, between 1995-98, in the year 2003-04, the sector recorded a growth of 25.06% by recording a production of the order of Rs. 30,640 crore as reported by Automotive Component Manufacturers

Association (ACMA, 2005). During the year 2004-05, the output of the Auto Component Industry was around Rs. 36,300 crore. The Indian automotive sector is being written up as the next industry after software, that has the potential of becoming globally competitive.

As more and more organizations begin to operate internationally, their members face the need to become more skillful in relationships that involve cross-cultural communication as well as intercultural communication. This merging of differing organizational cultures, confronting people of different habits, values, and terminology, with the need to collaborate increases our need to understand communication and how to make it more effective. Hence an attempt was undertaken to study organizational communication in relation to organizational effectiveness from the perspectives of personnel at different management levels in the Indian Automotive Industry.

#### **5.1.4 Statement of the Problem**

A Study of Communication Effectiveness in Relation to Organizational Effectiveness in Automotive industry.

#### **5.1.5 Objectives of the Study:**

- To determine the nature of perceived effectiveness of organizational communication with respect to its three dimensions namely downward, upward and horizontal communication in the automotive industry of Punjab and Haryana.
- To identify barriers to perceived effectiveness of organizational communication in automotive industry of Punjab and Haryana
- To study the relationship between perceived organizational communication with respect to its dimensions namely downward, upward, and horizontal communication and organizational effectiveness in automotive industry as perceived by personnel at three management levels.
- To study the differences between extreme groups on perceived effectiveness of organizational (top and bottom 27%) on perceived effectiveness of Organizational communication and its dimensions namely downward, upward and horizontal communication in automotive industry of Punjab and Haryana.
- To study the differences in the perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward, and horizontal communication in automotive industry of Punjab and Haryana states.

- To study the differences among the personnel at three management levels (Top, middle, and lower) regarding perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward, and horizontal communication in automotive industry.
- To study the interactional effect of state and management levels on perceived effectiveness of organizational communication and its dimensions namely downward, upward, and horizontal communication in the automotive industry.

### **5.2.1 Hypothesis**

On the basis of review of research literature, the following hypotheses were formulated for the present study.

- There exist significant positive relationship between perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward and horizontal communication and organizational effectiveness.
- There exist significant differences between the extreme groups on perceived organizational effectiveness with regard to Perceived effectiveness of organizational communication and its dimensions namely downward, upward and horizontal communication in the automotive industry.
- The state has a significant effect on the perceived organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry.
- The levels of management has a significant effect on the perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry
- There is a significant interactional effect of the state and the levels of management on the perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry.

## **5.3 Research Methodology**

### **5.3.1 Research Design**

The survey research design was used to undertake the study.

### **5.3.2 Sample**

Sample was selected at two stages. Initially a sample of six large scale automotive industry of Punjab and Haryana was selected. Out of twenty two firms, only those firms were included which agreed to participate in the study. Large scale manufacturing firms were preferred to small and medium size firms as the latter found themselves out of synchronization with the world industry after the opening up of Indian Economy in 1991. At the second stage of sampling, a stratified proportionate random sample of hundred personnel working at three different management levels namely top, middle and lower management were selected from each of the six firms. However, due to inadequate number of personnel at top management level, it was decided to take atleast 10 personnel from the top management levels of each firm to give due representation in the sample. Thus the final sample comprised of 631 personnel (top management = 60; middle management = 209; lower management = 362) at different management levels working in six large scale automotive firms (Three each from Punjab and Haryana).

### **5.3.3 Tools Used**

As the study involved determining effectiveness of organizational communication and organizational effectiveness in the automotive firms, following two tools were used:

- (a) Organizational Communication Scale (Gayatri, 2001). The scale consists of sixty three (63) items measuring three dimensions of organizational communication namely downward, upward and horizontal communication. The scale for downward communication, upward communication and horizontal communication consists of twenty-six items (26), twenty-five items (25) and twelve items (12) respectively. The values of item-difficulty for three subscales ranged between .42 to .68; .40 to .63; 0.40 to 0.57 respectively and discrimination index for three subscales ranged between 0.21 to 0.58; 0.27 to 0.92 and 0.73 to .86 respectively.

Further the inter item correlation for all the scales of downward, upward and horizontal communication are positive and significant Cronbach Alpha Coefficients for downward, upward and horizontal communication are 0.77, 0.92 and 0.95 respectively. The scoring for communication scale was done on

the 5 point scale that is 5 (strongly agree); 4 (agree); 3 (indifferent); 2 (disagree) and 1 (strongly disagree). For negative items like 3, 4, 19, 26, 28, 29, 30, 32, 33, 34, 36, 37, 40, 42, 46, 48, 50, 55, 60 the scoring was reversed.

- (b) Organizational Effectiveness Scale (developed by the Researcher). The organizational effectiveness scale consists of eighty seven (87) items of twelve, fifty two, eighteen, ten and five items measuring five dimensions of organizational effectiveness namely planning, organizational structure, organizational culture, communication and information technology and outcome respectively. For validation of the tool, the items were rated by fourteen academicians and fourteen managers from automotive industry on a three point rating scale namely (1) most relevant (2) relevant (3) least relevant. Kendall's Coefficient of concordance was used to check the extent of agreement between the academicians and the managers. Value of  $X^2$  (132. ) was found to be significant at .01 levels indicating that there exists an agreement between the academicians and the managers from the industry confirming that the items were representative of the organizational effectiveness and measured what these were intended to measure. The 87 items scale was then administered to hundred managers working at different hierarchical levels in the six different automotive firms to check the reliability of the tool. A score of 5,4,3,2,1 were assigned to calculate the total score of an individual on organizational effectiveness. To ascertain the reliability of the scale, item-item correlation, item-total correlations and Cronbach Alpha were calculated. Item-item correlation for organizational effectiveness ranged between 0.40 and 1.00. Analysis of the inter-item correlations revealed that 54.44% of correlations lie between .4 - .6, 41.05% between .6 - .8 and 3.79% between 0.8 and above. According to Robinson et.al (1991) item-item correlations of 0.3 or above are acceptable. Therefore internal consistency was found to be high.

Item-total correlations for eight-seven items scale ranged between 0.40 – 0.80. The values of Cronbach Alpha Coefficient for the three management levels and the total sample were found to be high and ranged between 0.83 and 0.99. Thus the scale was found to have high internal consistency and considered to be reliable. Scoring for Organizational Effectiveness was done on a 5-point scale of 5 (strongly agree), 4 (agree), 3 (indifferent), 2 (disagree) and 1 (strongly disagree). All the items in the scale were positive.

#### **5.3.4 Data Collection**

The data was personally collected from the six automotive firms (three in Haryana and three in Punjab) selected for the study. Scales on organizational communication and organizational effectiveness were then administered to the managers from the top, middle and lower management levels. A total of 631 scales were given to six firms and a total of 538 (85%) filled in scales were received.

#### **5.3.5 Statistical Techniques**

Descriptive statistics mean median, standard deviation, skewness and Kurtosis for all the dimensions of both the scales on organizational communication and organizational effectiveness were obtained to ascertain the nature of distribution of scores and following Inferential statistics were used.

- Product moment correlations were calculated to determine the extent of the relationships between various dimensions of organizational communication and organizational effectiveness.
- t-ratios were used to study significance of differences between means of extreme groups high and low on organizational effectiveness with respect to organizational communication and its dimensions.
- 2x3 ANOVA was applied to study the main effect of state and management levels and the interactional effect of these variables on the perceptions regarding effectiveness of organizational communication in Indian Automotive Industry.
- Wherever F was found to be significant, t-ratios were worked out to find out the differences between means of various groups.

#### **5.4 Analysis of Data and Results**

The analysis of the data and results are discussed under the following main headings:

- Nature of distribution of scores.
- Nature of Communication in Automotive Industry
- Relationship between perceived effectiveness of Organizational communication and organizational effectiveness

- Extreme group comparison
- 2 × 3 Analysis of Variance

#### **5.4.1 Nature of Distribution of Scores**

In order to study the nature of distribution of scores on organizational effectiveness and organizational communication, descriptive statistics namely mean, standard deviation, standard error of mean, skewness, and kurtosis were calculated. Mean scores for various dimensions of organizational communication namely downward, upward and horizontal communication ranged between 27.90 to 71.22 and standard deviation between 5.58 to 10.82. The values of skewness for three dimensions—downward, upward and horizontal communication were found to be 0.24, 0.22, and 0.31 respectively. The values of skewness for downward and upward communication did not exceed  $\pm 0.272$ , the acceptable limits at .01 level of significance (Snedecor and Cochran, 1959). The distribution was thus considered to be normal. However, score distribution for horizontal communication (.31) was found to be significantly positively skewed.

The mean score and Standard Deviation for overall organizational communication was found to be 157.65 and 22.52 respectively. The value of skewness (0.27) for organizational communication did not exceed the acceptable limits of skewness  $\pm 0.272$ , at .01 level of significance (Snedecor and Cochran, 1959).

The value of kurtosis for downward, upward, and horizontal and organizational communication (total) ranged between 3.422 to 4.442. The values of kurtosis exceeded the acceptable limits of kurtosis at .01 level of significance i.e. .282-.808. The curve was found to be leptokurtic.

The mean score and Standard Deviation for organizational effectiveness were 192.55 and 46.61 respectively. The value of skewness for organizational effectiveness was found to be 0.21, not exceeding  $\pm 0.272$ , the acceptable limits at .01 level of significance. The distribution was thus considered to be normal.

The value of kurtosis for organizational effectiveness (total) was found to be 3.92 thus exceeding the acceptable limits of kurtosis at .01 level of significance i.e. .282-.808. Hence the curve was found to be leptokurtic.

#### **5.4.2 Nature of Communication**

Nature of Communication was discussed under headings downward, upward and horizontal communication.

#### **5.4.2.1 Nature of Downward Communication**

The findings revealed that majority of the personnel at three management levels in the automotive industry were of the opinion that job instructions given to employees were appropriate (88.7%), precise and clear(71.2%), rationale behind the task was explained(65.4%) and as a result, employees could understand what was expected out of their jobs(89.6%), and this understanding helped them in achieving organizational goals and targets(91.1%). They further opined that employees were kept informed about the importance of their contribution (66.4%); appropriate performance feedback was communicated to the employees (70.8%), which helped them in improving the quality of their skills (85%) and thereby of their performance (90.2%). It was further observed that multiple channels of communication like written, circulars; notice boards etc. were used (80.6%) in their organizations to reduce the ambiguity of information (71.9%) and facilitate accuracy (75.4%). Important messages were repeated and when information was not clear, one could bypass formal channels (62.8%), which sometimes saved time (60.6%). However two major barriers were also identified namely the use of multiple channels and the job instructions which at times confused the personnel.

#### **5.4.2.2 Nature of Upward Communication**

In the perceptions of the majority of the personnel (Table 4.3) in the automotive industry of Punjab and Haryana, constructive opinions, suggestions, brought appreciation from superiors (81.3%) especially if they were substantiated by facts (80.7%). This is supported by the fact that 66.9% of personnel disagreed with the statement that their suggestions were not taken seriously. Higher ups were sensitive to the genuineness of complaints (71.7%) and complaints were acted upon rationally (66.5%) Delay in passing on the complaints was viewed seriously in their organizations (64.9%). They further opined that they did not fear any negative repercussions from higher ups (60.6%) while communicating with them. On the contrary they were encouraged to interact with them, which resulted in good understanding (72.9%) and thereby reducing status barriers (72.3%). It was felt by the personnel that the higher ups discouraged the practice of indiscriminate meddling with information (60.2%).

However, according to majority of the personnel ranging between 55% to 88.2%,a number of barriers to the upward communication (statements: 3,4,6,7,8,10,11,14,16,

22, 23 and 24, Table 4.3) inhibited the free flow of upward communication. 6.1% to 37.7% personnel were however in disagreement with these items and 11.5% to 19.5% were found to be indifferent. Majority of the personnel felt there was a practice to filter the information especially the negative feedback, partly, in order to be in the good books of the superiors (45.7%), partly due to status barriers (55%). According to them, the repercussions of screening of the information at different levels were that, it reduced the intensity of information (64.9%), kept superiors in dark (56.5%), hindered the enthusiasm of the superiors to act (70.4%), and on occasions distorted communications led to wrong actions (82.2%). There were just 47% of the personnel who expressed their apprehensions that communication with higher ups would be viewed negatively by the work group members. The personnel opined that sometimes the managerial effectiveness got affected and functioning was hampered partly due to inability on the part of the superiors to attend to genuine suggestions \ complaint or opinions (73%) or partly due to sheer volume of facts communicated (65.8%).

#### **5.4.2.3 Nature of Horizontal Communication**

Majority of the personnel agreed that in their view, mutual functional support and cooperation between departments was encouraged (71% and 68.6%). Open communication and discussions across departments and among task group members helped in building trust (85.7%), in integrating and coordinating goal directed effort (85.7%). Departments shared relevant information during periodic meets (85.1%), which improved their efficiency (86%).

However, 74% of the personnel opined that maintaining departmental boundaries hindered utilization of resources (Table 4.4) With the statement, that interdepartmental meeting generated a 'they against us attitude', 41.2 % agreed while 43.9% disagreed and 14.9% remained indifferent.

#### **5.4.3 Relationship between Organizational Effectiveness and Perceived Effectiveness of Organizational Communication**

The results of Pearson Product Moment correlations between scores on various dimensions of perceived organizational communication namely, downward, upward, and horizontal communication and total score on organizational communication and

organizational effectiveness were computed. All correlations between organizational effectiveness and organizational communication and its dimensions (.67, .62, .56 and .73) were found to be significant at .01 level. These results indicate that there exist significant positive correlations between organizational communication and organizational effectiveness. These results imply that higher the organizational communication, higher will be the organizational effectiveness and vice versa or in other words it can be said that in the organizations perceived to be effective downward communication, upward communication and horizontal communication will be characterized by accuracy, timeliness, preciseness and clarity of information to subordinates, constructive feedback, use of different modes of communication, repetition of important messages, encouragement to the employees to express their opinions, suggestions, complaints, sharing of all kinds of information with their superiors, acceptance and appreciation of constructive opinions/suggestions, coordination, information sharing, problem solving between departments, trust and openness in communication across the departments, and vice versa.

#### **5.4.4 Extreme Group Comparisons**

On the basis of organizational effectiveness scores, top 27% and bottom 27% groups were selected and extreme group comparisons were then made for the dimensions of organizational communication that is downward, upward and horizontal communication and its total score. Significant differences were found between extreme groups on organizational effectiveness for all dimensions of organizational communication and overall organizational communication scores. In case of overall communication and its dimensions, mean scores of top 27% (M=178.73, M=67.29; M=79.11; M=32.32) were found to be significantly higher than bottom 27% (M=139.15, M=49.12; M=65.54; M=24.47). The results indicate that those who perceived their organizations highly effective also perceived the overall organizational communication to be more effective in terms of downward, upward and horizontal communication as compared to those who perceived their organizations to be less effective.

#### **5.4.5 2 x 3 Analysis of Variance for Perceived Effectiveness of Organizational Communication**

To study the main effect of state, levels of management and their interactional effect on organizational communication and its dimensions, 2x3 ANOVA was applied and t-ratio were worked out wherever F was found to be significant. The effect of levels on

management on overall organizational communication ( $F = 3.536$ ) and its dimensions namely downward ( $F = 5.366$ ), upward ( $F=3.92$ ) and horizontal ( $F=4.58$ ) were found to be significant implying that there exist significant differences among personnel working at three management levels in the automotive industry of Punjab and Haryana with respect to effectiveness of organizational communication and its dimensions. In case of Overall communication the middle management personnel found it to be more effective than top and lower management personnel. Downward communication was found to be more effective by the personnel both at middle and lower management levels than the personnel at top management level. With regard to upward and horizontal communication, both middle and lower management personnel found upward and horizontal communication effective compared to top management personnel.

The effect of state ( $F = 1.90; 1.93; .331; 4.11$ ) and the interactional effect of state and levels on overall organizational communication ( $F=.624; 1.649; .052; .221$ ) and its dimensions were found to be insignificant. These results indicate that there exists no significant differences in the effectiveness of overall organizational communication and its dimensions namely downward, upward, horizontal communication in the automotive industry of Punjab and Haryana State. Six groups on the basis of states and levels of management did not differ significantly with respect to perceived effectiveness of organizational communication and its dimensions namely downward, upward and horizontal communication.

## **5.5 Conclusions**

Based on the findings of the study of perceived organizational communication effectiveness in relation to organizational effectiveness in the Indian Automotive Industry, the following conclusions can be drawn from the results thus obtained:

Majority of the personnel at three management levels in the automotive industry of Punjab and Haryana found downward, upward and horizontal communication characterized by most of the desirable features. In the perceptions of the majority of personnel in Automotive Industry downward communication was characterized by appropriate, precise and clear job instructions and appropriate performance feedback. In case of upward communication, the personnel perceived it to be characterized by two-way communication and appreciation of the suggestions, and opinions by the higher ups. Horizontal communication was found to be characterized by mutual functional support and cooperation and sharing of relevant information between

departments. However a few barriers to downward, upward and horizontal communication were also identified by the personnel. These included use of multiple channels and by passing of formal communication channels, screening of the information especially the negative feedback and maintaining of departmental boundaries.

- There is significant positive relationship between perceived organizational effectiveness and overall organizational communication and its three dimensions namely, downward, upward, and horizontal communication. Thus the first hypothesis that there exist significant positive relationship between the perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward and horizontal communication and organizational effectiveness stands accepted. These findings are corroborated by other research studies such as by Massey (1975); Muchinsky (1977); Roy (1990); Maloney (1993); Kumar (1994); Noone (1996); Pettit (1997) etc.
- There exists significant difference in the perceptions of extreme groups of organizational effectiveness with regard to the effectiveness of organizational communication. Those who perceived their organizations to be highly effective also perceived the overall organizational communication, downward communication, upward communication and horizontal communication to be more effective than those who perceived their organizations to be less effective in the automotive industry. Thus the second hypothesis that there exist significant differences between the extreme groups on organizational effectiveness with regard to perceived effectiveness of organizational communication and its dimensions namely downward, upward and horizontal communication in the automotive industry stand accepted. The findings of the earlier studies by Farmer (1999); Priyadarshani and Venkatpathy (2003); Papadakis (2005); Morley et.al. (1997) lend support to the findings of the present study.
- There exist insignificant differences in Punjab and Haryana automotive industry with regard to overall perceived effectiveness of organizational communication and its dimensions namely downward, upward and horizontal communication implying that the state had no effect on the overall organizational communication and its dimensions. Thus the hypothesis that the state has a significant effect on the perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward and

horizontal communication in the automotive industry stands rejected. However, the researcher did not come across a study that shows the impact of state on the perceived effectiveness of organizational communication with respect to its dimensions.

- There are significant differences among the personnel at three management levels (top, middle and lower) in the automotive industry with regard to overall organizational communication effectiveness and its three dimensions like downward, upward, and horizontal communication indicating that levels of management had an effect on overall organizational communication and its dimensions. Personnel working at middle management level perceived overall organizational communication in the automotive industry more effective than the personnel at both top and lower management levels .In case of downward communication, significant differences in favour of personnel working at middle management level were found between middle management and lower management. Personnel working at middle and lower management level perceived upward and horizontal communication more effective than the personnel working at top management level. Thus, the fourth hypothesis that the levels of management has a significant effect on the perceived effectiveness organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry stands accepted. Larson and King (1973); Smith and Keil (2003); Rosen and Tesser (1975), Jablin (1979) studies substantiate the findings of the present study.
- The interactional effect of state and management levels on the perceived effectiveness of organizational communication with respect to its dimensions in the automotive industry was found to be insignificant. Thus the hypothesis that there is a significant interactional effect of the state and the levels of management on the perceived effectiveness organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry stands rejected. The researcher again did not come across such study highlighting the interactional impact of both the state and the management on the organizational communication and its dimensions.

## **5.6 IMPLICATIONS FOR INDIA AND RECOMMENDATIONS FOR FUTURE RESEARCH**

\*In today's highly competitive business world, organizations in India are facing a stiff and difficult competition in the global markets. Over the past few years India has

become one of the fastest growing economies and it needs to embrace competitiveness spirit for maintaining and improving over its recent performance (Pillannia, 2008a). Organizational analysts have ascribed varying degrees of importance to the communication process. Ganguly (1995) in his study of Indian organizations found that good communication is the foundation for sound management. The Calcutta based Philips consumer Electronics bridged the gap between the management and workers by transparency through two-way communication. Pyobir Sen, MD, drastically improved system of internal communication at Indian Airlines (Dwivedi, 1998). Communication -honest, open and two way is always an important element in the management of people, the human resources of organizations (Smith, 2006) and is also considered as an important determinant of organizational effectiveness (Somasundaram, 1995; Reddy & Gayatri, 2005).

The findings of the present study clearly indicate that there exist significant positive correlation between the perceived effectiveness of organizational communication and its dimensions and organizational effectiveness and also significant differences between the extreme groups on organizational effectiveness have been observed. The present study highlights that the managers who send across timely and accurate information and seek in turn information and participation from their subordinates or across departments are perceived to be effective communicators that only corroborates the findings of the earlier studies. The more effective the system of communication, the better is the relations between the workers and between workers and the management (Diwan & Aggarwal, 1997). No major dissatisfaction vis-vis a their managers' communication style or content emerged from this study This could be attributed to the cultural influence as individualist and collectivist dimensions of culture also have a profound effect on learning. In collectivist approach, people are viewed as the recipients of wisdom. This view is tied directly to respect of elders (teachers, managers, superiors, etc.) who hold knowledge because of seasoned wisdom and experience, and who have the responsibility to share such wisdom with those who are younger and junior in status. Translated to the workplace, and the finding from the present study further reiterates that the majority of the personnel across six automotive industry at different levels did not appear or perceived to amiss something

related to their communication expectations. They perhaps felt more comfortable collaborating with others, seeking feedback and approval from authorities, and most likely only appreciated their success in relation to their membership in the group.

However, findings from cross-cultural studies confirm that subordinates from countries with a large power distance culture as in India tend to respond less positively to management practices aimed at encouraging more employee participation and involvement in decision –making. For instance Robert et al. (2000), reported a negative relationship between empowering practices and job satisfaction in India , which has a large power distance culture. High power distance cultures have a clear separating of superiors and subordinates with distinctive roles for each. As in the the present study also confirms that some meager percentage of the personnel perceived that the managers would not share the relevant \ critical information with them and would not involve them in the decision making process.

Further, Indian culture, characterized by collectivistic culture( Hofstede,1997,) that focuses on group needs over individual needs and desires, may also lead to the perception among the personnel that their managers do not shower them with praises as an individual and they may feel slighted and dissatisfied. Especially, the present workforce who is under the profound influence of Western and American culture may not align him or herself with the group and may have his or her individual aspirations.

The challenge for the Indian managers, therefore, is to become more open minded towards the opinions of employees and create a climate of collective decision – making. They will increase their efficiency and competitiveness by reducing barriers to communication and by eliminating boundaries, which impede the understanding of end-to-end workflows and better performance on strategic goals The ability to communicate and seek communication from people down the line will effectively increases productivity, not only of managers but of organizations as well.

The following strategy is proposed to increase the effectiveness of organizational communication in the automotive industry:

- \*To increase effectiveness of downward communication, it is proposed that personnel should be provided with necessary information related to their

jobs. The communication should catch their interest and motivate and educate them about how their specific positions contribute to overall company success.

- Job instructions should be clearly spelt out so that there is clear understanding regarding job performance and job expectations.
- Preferably complex job instructions should be in a written form or properly documented to avoid confusion.
- Clear and relevant messages should be formulated. In this era of information overload, employee communication must be simple, brief and relevant.
- It is also important to identify the appropriate vehicle for communication – such as memos, speeches, meetings, videos, newsletters, electronic message boards, training sessions, news releases, posters and so forth, keeping in mind the rationale, the attitude and the limitations of the employees or the nature of task involved.
- It should be borne in mind that individuals and groups at different levels and in different segments of an organization may perceive same information differently as they are not homogenous entities. They vary in nature and in their competence level. Therefore it is important that messages that are appropriate to the intended audience must be delivered effectively by selecting the right channel to the right person and groups at the right time.
- Messages communication sent through different vehicles should be consistent across those vehicles to ensure credibility and avoid confusion amongst employees at various levels.
- Bypassing of formal channels of communication should be discouraged as it leads to confusion regarding the real boss. Communication as far as possible should be sent by the immediate superior.
- However, an effort should be made to reduce their highly noxious byproducts like the exercising of authority with impunity, behaving like a domineering boss, not empowering or engaging people in decision making process. Hierarchies should be made more habitable for employees and more productive as well by using both formal and informal channels.

- In multilevel organizations, messages get distorted as they travel up and down the ladder of command. It is not just a matter of noise or random error. On the contrary it is deliberate move. The feeling of self protection and self-interest generally motivate people to drop out relevant information especially the negative feedback as messages make stops along the vertical route.
- For improving and enhancing the effectiveness of upward communication, barriers such as screening of information at different levels, overload of information, filtering of information especially negative feedback, distorted communication and status barriers should be eliminated or minimized in the automotive industry.
- They should develop nonadversery system where employees feel uninhibited in bringing their complaints and grievances against their immediate supervisors.
- Superiors should ensure the involvement of personnel at different levels in decision- making, policy planning, making of rules etc.
- Superiors should develop skills in sensitive and objective listening in order to reduce subordinates' fear about communicating problems upwards.
- However sensitive leaders-aware of how difficult it can be for their subordinates to speak truth to power- should take steps to make speaking the truth as painless as possible. The message should go down the levels that failures are an inevitable accompaniment of doing a job; hence these should be talked about openly, not hidden, papered over, or blamed on others. On the contrary, the personnel should feel free to share all kinds of feedback including negative feedback.
- Superiors can increase their informal contact with subordinates through, for example social events, or occasional tours of the plant. Also in routine staff meetings, problems, complaints, grievances, questions and clarification besides production issues should be discussed. The superiors should stay alert continuously to the relevant subtexts of their surroundings and attend to genuine suggestions and opinions.
- To increase effectiveness of horizontal communication in automotive industry, there is a need to sensitize personnel working in one department of the role, needs, expectations and problems of other departments.

- Members' awareness of other departments' problems could be expanded through methods such as training programmes, job rotation or social events, collaborative tasks\ projects, or by constituting multidisciplinary teams.
- Departmental meetings should be held and conducted in such a manner that they generate favourable attitude rather than they-against-us attitude among personnel in automotive industry. Constructive confrontation and working through of disagreements should be encouraged. .
- But more important than any specific vehicle for upward or downward communication is the commitment by top management to the ongoing importance of communication to the success of the business mission. They should have more frequent interaction with the top management personnel in the organization. Automotive industry should pay attention to these factors so as to increase the effectiveness of organizational communication.

**Directions for Future Research:**

The present research could be extended to the industry other than the automotive industry for providing useful insight into the internal communication pattern in industry. Further the present research was confined to the area of Punjab and Haryana only. .Hence similar kind of research can be conducted in the automotive or other industry giving due representation to the other areas like south, west and east of India.

In the present research, the sample size was restricted to only three management levels i.e. top, middle and lower. Further studies can be conducted including in the sample the supervisor and worker level which can give a comprehensive understanding of the internal communication system in the automotive industry.

The present research has focused on the nature of internal, formal communication including downward, upward and horizontal communication and its relationship with organizational effectiveness. It is proposed that there is a need to undertake studies to identify the nature of external communication in the automotive industry and the variables that may affect external communication. An attempt can be made to identify both primary (i.e. the variables that are universal to external communication) and the secondary (i.e. the variables pertaining to the individuals or the context in which external communication is transmitted) variables affecting external organizational communication

There is ample scope for conducting research on the role of informal communication network which can be quite effective for an organization. The informal communication also known as grapevine may carry rumour and gossip, even so it carries far more information than the formal communication system and on many matters, it is more effective in determining the course of an organization. Therefore the research in this area could be of immense use to both to the managers as well as to the organizations. The focus could be how organizational climate and environment affect grapevine activity, whether managers are aware of the presence of the grapevine and how they handle and make use of it. Do they keep in touch with the grapevine and turn it into a constructive tool.

In addition, comparative studies of effective and ineffective organization can be undertaken to study the differences in their organizational communication-downward, upward and horizontal or both formal and informal channels of communication

## **Chapter 5**

### **SUMMARY, CONCLUSIONS AND SUGGESTIONS**

A summary of the total investigation giving briefly the genesis of the problem, statement of the problem, objectives, hypotheses, design of the study, methodology used and analysis of data and results and their importance and implications is presented in this chapter, with conclusions and suggestions for further research.

#### **5.1 Introduction**

##### **5.2.2 Importance of Communication in Organizations**

Nearly every modern work on organizations indicates that communication local, regional, national or international- is the plank on which successful business management rests. Achieving success in today's workplace is closely tied to the ability of employees and managers to communicate effectively with each other and with people outside the organization. The effective communication increases productivity, not only of managers but of organizations as well. Good communications skills help one to anticipate problems, make decisions, coordinate works flow, supervise others, develop relationships, and promote products and services (Bovee, 2005). Effective communication takes on added importance when

employees are experiencing the upheaval and dislocation that accompanies organizational change and renewal. The degree of effectiveness of the change is positively correlated with the degree of effectiveness of the communication strategy (Huseman & et.al, 1986).

However with the advent of information age, characterized by advances in technology, globalization, culturally diverse and enlightened work force has changed the character, needs, and importance of organizational communication. In today's fast paced, e-commerce environment, more and more business is conducted on a global scale resulting in workforce diversity. Further, today's new generation of employees have different values and needs. They have higher expectations "They want to make their own decisions. They want to share their ideas and their enthusiasm and not just be told what to do" (Schaefer). Hence the communication challenges of a manager have only increased. Most of the management theories emphasize that the manager's fundamental task is to gain an understanding of how people can better interact and relate to one another in organizational context. Kanter (1991) emphasizing the importance of communication and other human oriented activities argued "new managerial work involves communication and collaboration across functions, across divisions and across companies. .... And having the knowledge, skills, and sensitivity to mobilize people and motivate them to do their best."

Organizational communication can be broadly categorized into two namely external and internal communications. Internal communication is further grouped into formal and informal communication. Formal communication is characterized by downward, upward and horizontal communication and it can take different forms like oral, written and non-verbal form. Number of barriers to vertical and lateral organizational communication have been identified which could impede the smooth flow of communication (Fisher, 1999) These barriers, if left unattended, can lead to slow or ineffective communication, which in turn can act as roadblocks to organizational progress and adversely affect the organizational effectiveness.

### **5.2.3 Organizational Effectiveness: Concept and Measurement**

The study of effectiveness of organizations has acquired a significant role in modern industrial society, first because, energy, human resources, finance etc., are invested in industrial organizations everyday (Reddy et al, 2000). And secondly, interest in this topic has heightened by a growing appreciation of the vital role played by organizations in the life of people in the contemporary society. People have become

dependent on organizations of various types for the satisfaction of their needs, and their need satisfaction directly depends on the degree of effectiveness of organizations. As such, understanding of organizational effectiveness is of vital importance for the society at large. Concept of organizational effectiveness, however, is filled with obstacles regarding assessment, namely the criteria problems, criteria choices and the unique attributes of the organizations involved (Verma and Jain, 1996). It has been one of the most elusive research subjects since the early development of organization theory. Discussions pertaining to the field of organizational effectiveness have generated great amount of diversity among various theorists. Campbell (Prasad, 2006), commented, "Since an organization can be effective or ineffective on a number of different facets that may be relatively independent of one another, organizational effectiveness has no operational definition."

Researchers for measuring effectiveness have used a number of indicators that can be grouped into a) Objective Indicators - profit, production rate, etc. and b) Subjective indicators - employee satisfaction, quality of work life, job satisfaction, organizational climate etc. (Sayeed, 1992) Based on these approaches, researchers have offered a variety of models for examining organizational effectiveness. The most widely used models are the Goal model Price and Seashore (Jain,1996); the System Resource model,Seashore & Yuchtman(Jain, 1996); the Internal Process/Maintenance model (Bennis, 1966); and the Legitimacy model Miles and Cameron(Jain,1996);Competing Values Model (Quinn and Rohrbaugh,1983);10-P framework(Jain,2001) Mckinsey's 7-S framework(Bhattacharya,1985) or the Balanced Scorecard( Kaplan and Norton) etc. Despite the efforts of theorists from a variety of fields to define and measure organizational effectiveness, a theory of organizational effectiveness, which is universally applicable across organizations, has failed to emerge. What leads to organizational effectiveness in one organization may not necessarily have validity in another organization's context, given its unique market, technology, competition related context and its values, styles and beliefs, or within an organization itself, it can be effective in some aspects of its myriad operations that it performs and less so on others. Therefore it can be concluded that organizational effectiveness is a divergent problem, which does not have a single solution, nevertheless it is important to identify factors underlying effectiveness for the analysis purpose. Various studies (Srivastava and Ghadially, 1996; Roberts, 1996; Banwet et al, 1999; Koys, 2001) have identified number of factors affecting organizational effectiveness: organizational structure; leadership, communication; technology; planning;

organizational culture; job satisfaction and human resource outcome etc. In the present study five broad dimensions namely planning, organizational structure, organizational culture, communication and information technology and outcome have been used to measure the effectiveness of an organization.

### **5.3 Review of Related Literature: Organizational Communication and Organizational Effectiveness**

The research in the area of organizational communication is of recent phenomenon. Earlier the research in organizational communication was inadequate and was a neglected topic. However through 1960s, 1970s, 1980s organizational communication has been the central concern and has appeared as a recurring theme in the field of management and technology. The related studies on organizational communication in the present study have been studied under three major headings a) role of communication during crisis, b) nature of communication, and c) modes of communication. Number of studies (Monippaly, (2003; Noone, 1996; Stroh, 2002; Adams, 1995; and Papadakis (2005), have found that effective communication strategies help organizations sail through crisis like takeover, mergers, downsizing etc. smoothly. Similarly other research studies (Athanasziades, 1973; Roberts and O'Reilly, 1979; Wanguri, 1984; King III, 1997; Barnett, 1992; Suchan, 1995; Hansen, 1995 etc.) have focused on nature of communication formal (downward, upward, and horizontal) and informal; the ethical component of communication, different modes or channels used to transfer information in the organizations, the impact of technology on communication, employees' preferences of channels etc.

The review of related literature on organizational effectiveness comprises of studies related to development of model of organizational effectiveness evolving criteria for measuring organizational effectiveness and these include studies by Smith and Gannon (1987); Srivastava and Ghadially (1996); Pritchard & Armistead (1999); Maltz (2001); and Shilbury and Moore (2006) etc. .Research studies by Sayeed (1991), Chien (1992); Wilhelm (1993); Hariharan and Ganeshan (1994); Roberts (1996); Verma and Jain (1996); Richard (1997); Koys (2001) etc. focused on factors affecting organizational effectiveness and these are identified as organizational structure; leadership, communication; technology; planning; organizational culture; job satisfaction and human resource outcome, etc. Truran (2001 Ogunrinde (2001) Malik and Goyal (2003) etc. did a comparative studies of different types of

organizations or perceptions of people working at different organizational levels like managers or skilled workers on organizational effectiveness.

Studies by Muchinstay (1977); Maloney (1993); Sharma (1993), Anderson and Martin (1995); Witherspoon and Wohlert (1996); Haas (1999); Kiyomiya (2000); Peng et al (2001); Applebaum (2003) etc. explored the role organizational communication plays in significantly reducing the chance of escalation, limiting interference with normal business operations, and containing damage to the company's reputation especially during crisis situation.

On the basis of review of the literature on organizational communication and organizational effectiveness, it can be concluded that nature and types of communication may vary in different types of organization. Communication (formal and informal; external and internal etc.) plays an important role in organizations especially during crisis. Information and communication technologies have been integrated in communication processes in organizations and it has improved communication within and outside the organizations. Organizational effectiveness is a multi-dimensional concept. There are number of variables or factors (leadership style, organizational structure, planning, job satisfaction, organizational culture etc.) that contribute to the organizational effectiveness and these will vary from industry to industry. Communication in the organization has an effect on leadership styles, employee's morale, job performance, job satisfaction and managing relationship etc.the formal organization was perceived to be more valuable by the employees in satisfying their needs as compared to informal organization. Barriers to communication (downward, upward and horizontal) reduce effectiveness of organizational communication and in turn adversely affect organizational effectiveness. There are limited studies undertaken in the Indian context leaving much scope for further research.

### **5.1.5 Significance of the Study**

Automotive Industry since the 1990s has shown tremendous growth. Both automobile and auto component sector has shown great advances in recent years in terms of growth, spread and absorption of newer technologies and flexibility. The data obtained from Society for Indian Automobile Manufacturers (SIAM, 2005) showed high growth in the production of total vehicles that increased from 4.2 million in 1998-99 to 7.3 million in 2003-04. Overall automobile sectors bagged a growth of 15.12% in 2003-04 year and in the year 2004-05 the industry registered a growth rate of 15.06 %. The Automobile Industry performance in the year 2004-05 showed

encouraging results for all segments of the automobile industry. Similarly the auto component industry has been one of the fastest growing segments of Indian automotive industry, growing by over 28%, in nominal terms, between 1995-98, in the year 2003-04, the sector recorded a growth of 25.06% by recording a production of the order of Rs. 30,640 crore as reported by Automotive Component Manufacturers Association (ACMA, 2005). During the year 2004-05, the output of the Auto Component Industry was around Rs. 36,300 crore. The Indian automotive sector is being written up as the next industry after software, that has the potential of becoming globally competitive.

As more and more organizations begin to operate internationally, their members face the need to become more skillful in relationships that involve cross-cultural communication as well as intercultural communication. This merging of differing organizational cultures, confronting people of different habits, values, and terminology, with the need to collaborate increases our need to understand communication and how to make it more effective. Hence an attempt was undertaken to study organizational communication in relation to organizational effectiveness from the perspectives of personnel at different management levels in the Indian Automotive Industry.

#### **5.1.6 Statement of the Problem**

A Study of Communication Effectiveness in Relation to Organizational Effectiveness in Automotive industry.

#### **5.1.5 Objectives of the Study:**

- To determine the nature of perceived effectiveness of organizational communication with respect to its three dimensions namely downward, upward and horizontal communication in the automotive industry of Punjab and Haryana.
- To identify barriers to perceived effectiveness of organizational communication in automotive industry of Punjab and Haryana
- To study the relationship between perceived organizational communication with respect to its dimensions namely downward, upward, and horizontal communication and organizational effectiveness in automotive industry as perceived by personnel at three management levels.
- To study the differences between extreme groups on perceived effectiveness of organizational (top and bottom 27%) on perceived effectiveness of Organizational

communication and its dimensions namely downward, upward and horizontal communication in automotive industry of Punjab and Haryana.

- To study the differences in the perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward, and horizontal communication in automotive industry of Punjab and Haryana states.
- To study the differences among the personnel at three management levels (Top, middle, and lower) regarding perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward, and horizontal communication in automotive industry.
- To study the interactional effect of state and management levels on perceived effectiveness of organizational communication and its dimensions namely downward, upward, and horizontal communication in the automotive industry.

#### **5.3.1 Hypothesis**

On the basis of review of research literature, the following hypotheses were formulated for the present study.

- There exist significant positive relationship between perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward and horizontal communication and organizational effectiveness.
- There exist significant differences between the extreme groups on perceived organizational effectiveness with regard to Perceived effectiveness of organizational communication and its dimensions namely downward, upward and horizontal communication in the automotive industry.
- The state has a significant effect on the perceived organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry.
- The levels of management has a significant effect on the perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry
- There is a significant interactional effect of the state and the levels of management on the perceived effectiveness of organizational communication

with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry.

### **5.3 Research Methodology**

#### **5.4.6 Research Design**

The survey research design was used to undertake the study.

#### **5.4.7 Sample**

Sample was selected at two stages. Initially a sample of six large scale automotive industry of Punjab and Haryana was selected. Out of twenty two firms, only those firms were included which agreed to participate in the study. Large scale manufacturing firms were preferred to small and medium size firms as the latter found themselves out of synchronization with the world industry after the opening up of Indian Economy in 1991. At the second stage of sampling, a stratified proportionate random sample of hundred personnel working at three different management levels namely top, middle and lower management were selected from each of the six firms. However, due to inadequate number of personnel at top management level, it was decided to take atleast 10 personnel from the top management levels of each firm to give due representation in the sample. Thus the final sample comprised of 631 personnel (top management = 60; middle management = 209; lower management = 362) at different management levels working in six large scale automotive firms (Three each from Punjab and Haryana).

#### **5.4.8 Tools Used**

As the study involved determining effectiveness of organizational communication and organizational effectiveness in the automotive firms, following two tools were used:

- (a) Organizational Communication Scale (Gayatri, 2001). The scale consists of sixty three (63) items measuring three dimensions of organizational communication namely downward, upward and horizontal communication. The scale for downward communication, upward communication and horizontal communication consists of twenty-six items (26), twenty-five items (25) and twelve items (12) respectively. The values of item-difficulty for three subscales ranged between .42 to .68; .40 to .63; 0.40 to 0.57 respectively and discrimination index for three subscales ranged between 0.21 to 0.58; 0.27 to 0.92 and 0.73 to .86 respectively.

Further the inter item correlation for all the scales of downward, upward and horizontal communication are positive and significant Cronbach Alpha Coefficients for downward, upward and horizontal communication are 0.77, 0.92 and 0.95 respectively. The scoring for communication scale was done on the 5 point scale that is 5 (strongly agree); 4 (agree); 3 (indifferent); 2 (disagree) and 1 (strongly disagree). For negative items like 3, 4, 19, 26, 28, 29, 30, 32, 33, 34, 36, 37, 40, 42, 46, 48, 50, 55, 60 the scoring was reversed.

- (b) Organizational Effectiveness Scale (developed by the Researcher). The organizational effectiveness scale consists of eighty seven (87) items of twelve, fifty two, eighteen, ten and five items measuring five dimensions of organizational effectiveness namely planning, organizational structure, organizational culture, communication and information technology and outcome respectively. For validation of the tool, the items were rated by fourteen academicians and fourteen managers from automotive industry on a three point rating scale namely (1) most relevant (2) relevant (3) least relevant. Kendall's Coefficient of concordance was used to check the extent of agreement between the academicians and the managers. Value of  $X^2$  (132. ) was found to be significant at .01 levels indicating that there exists an agreement between the academicians and the managers from the industry confirming that the items were representative of the organizational effectiveness and measured what these were intended to measure. The 87 items scale was then administered to hundred managers working at different hierarchical levels in the six different automotive firms to check the reliability of the tool. A score of 5,4,3,2,1 were assigned to calculate the total score of an individual on organizational effectiveness. To ascertain the reliability of the scale, item-item correlation, item-total correlations and Cronbach Alpha were calculated. Item-item correlation for organizational effectiveness ranged between 0.40 and 1.00. Analysis of the inter-item correlations revealed that 54.44% of correlations lie between .4 - .6, 41.05% between .6 - .8 and 3.79% between 0.8 and above. According to Robinson et.al (1991) item-item correlations of 0.3 or above are acceptable. Therefore internal consistency was found to be high.

Item-total correlations for eight-seven items scale ranged between 0.40 – 0.80. The values of Cronbach Alpha Coefficient for the three management levels and the total sample were found to be high and ranged between 0.83 and 0.99. Thus the scale was found to have high internal consistency and

considered to be reliable. Scoring for Organizational Effectiveness was done on a 5-point scale of 5 (strongly agree), 4 (agree), 3 (indifferent), 2 (disagree) and 1 (strongly disagree). All the items in the scale were positive.

#### **5.4.9 Data Collection**

The data was personally collected from the six automotive firms (three in Haryana and three in Punjab) selected for the study. Scales on organizational communication and organizational effectiveness were then administered to the managers from the top, middle and lower management levels. A total of 631 scales were given to six firms and a total of 538 (85%) filled in scales were received.

#### **5.4.10 Statistical Techniques**

Descriptive statistics mean median, standard deviation, skewness and Kurtosis for all the dimensions of both the scales on organizational communication and organizational effectiveness were obtained to ascertain the nature of distribution of scores and following Inferential statistics were used.

- Product moment correlations were calculated to determine the extent of the relationships between various dimensions of organizational communication and organizational effectiveness.
- t-ratios were used to study significance of differences between means of extreme groups high and low on organizational effectiveness with respect to organizational communication and its dimensions.
- 2x3 ANOVA was applied to study the main effect of state and management levels and the interactional effect of these variables on the perceptions regarding effectiveness of organizational communication in Indian Automotive Industry.
- Wherever F was found to be significant, t-ratios were worked out to find out the differences between means of various groups.

### **5.5 Analysis of Data and Results**

The analysis of the data and results are discussed under the following main headings:

- Nature of distribution of scores.

- Nature of Communication in Automotive Industry
- Relationship between perceived effectiveness of Organizational communication and organizational effectiveness
- Extreme group comparison
- 2 × 3 Analysis of Variance

### **5.5.1 Nature of Distribution of Scores**

In order to study the nature of distribution of scores on organizational effectiveness and organizational communication, descriptive statistics namely mean, standard deviation, standard error of mean, skewness, and kurtosis were calculated. Mean scores for various dimensions of organizational communication namely downward, upward and horizontal communication ranged between 27.90 to 71.22 and standard deviation between 5.58 to 10.82. The values of skewness for three dimensions—downward, upward and horizontal communication were found to be 0.24, 0.22, and 0.31 respectively. The values of skewness for downward and upward communication did not exceed  $\pm 0.272$ , the acceptable limits at .01 level of significance (Snedecor and Cochran, 1959). The distribution was thus considered to be normal. However, score distribution for horizontal communication (.31) was found to be significantly positively skewed.

The mean score and Standard Deviation for overall organizational communication was found to be 157.65 and 22.52 respectively. The value of skewness (0.27) for organizational communication did not exceed the acceptable limits of skewness  $\pm 0.272$ , at .01 level of significance (Snedecor and Cochran, 1959).

The value of kurtosis for downward, upward, and horizontal and organizational communication (total) ranged between 3.422 to 4.442. The values of kurtosis exceeded the acceptable limits of kurtosis at .01 level of significance i.e. .282-.808. The curve was found to be leptokurtic.

The mean score and Standard Deviation for organizational effectiveness were 192.55 and 46.61 respectively. The value of skewness for organizational effectiveness was found to be 0.21, not exceeding  $\pm 0.272$ , the acceptable limits at .01 level of significance. The distribution was thus considered to be normal.

The value of kurtosis for organizational effectiveness (total) was found to be 3.92 thus exceeding the acceptable limits of kurtosis at .01 level of significance i.e. .282-.808. Hence the curve was found to be leptokurtic.

## **5.5.2 Nature of Communication**

Nature of Communication was discussed under headings downward, upward and horizontal communication.

### **5.5.2.1 Nature of Downward Communication**

The findings revealed that majority of the personnel at three management levels in the automotive industry were of the opinion that job instructions given to employees were appropriate (88.7%), precise and clear(71.2%), rationale behind the task was explained(65.4%) and as a result, employees could understand what was expected out of their jobs(89.6%), and this understanding helped them in achieving organizational goals and targets(91.1%). They further opined that employees were kept informed about the importance of their contribution (66.4%); appropriate performance feedback was communicated to the employees (70.8%), which helped them in improving the quality of their skills (85%) and thereby of their performance (90.2%). It was further observed that multiple channels of communication like written, circulars; notice boards etc. were used (80.6%) in their organizations to reduce the ambiguity of information (71.9%) and facilitate accuracy (75.4%). Important messages were repeated and when information was not clear, one could bypass formal channels (62.8%), which sometimes saved time (60.6%). However two major barriers were also identified namely the use of multiple channels and the job instructions which at times confused the personnel.

### **5.5.2.2 Nature of Upward Communication**

In the perceptions of the majority of the personnel (Table 4.3) in the automotive industry of Punjab and Haryana, constructive opinions, suggestions, brought appreciation from superiors (81.3%) especially if they were substantiated by facts (80.7%). This is supported by the fact that 66.9% of personnel disagreed with the statement that their suggestions were not taken seriously. Higher ups were sensitive to the genuineness of complaints (71.7%) and complaints were acted upon rationally (66.5%) Delay in passing on the complaints was viewed seriously in their organizations (64.9%). They further opined that they did not fear any negative repercussions from higher ups (60.6%) while communicating with them. On the contrary they were encouraged to interact with them, which resulted in good

understanding (72.9%) and thereby reducing status barriers (72.3%). It was felt by the personnel that the higher ups discouraged the practice of indiscriminate meddling with information (60.2%).

However, according to majority of the personnel ranging between 55% to 88.2%, a number of barriers to the upward communication (statements: 3,4,6,7,8,10,11,14,16, 22, 23 and 24, Table 4.3) inhibited the free flow of upward communication. 6.1% to 37.7% personnel were however in disagreement with these items and 11.5% to 19.5% were found to be indifferent. Majority of the personnel felt there was a practice to filter the information especially the negative feedback, partly, in order to be in the good books of the superiors (45.7%), partly due to status barriers (55%). According to them, the repercussions of screening of the information at different levels were that, it reduced the intensity of information (64.9%), kept superiors in dark (56.5%), hindered the enthusiasm of the superiors to act (70.4%), and on occasions distorted communications led to wrong actions (82.2%). There were just 47% of the personnel who expressed their apprehensions that communication with higher ups would be viewed negatively by the work group members. The personnel opined that sometimes the managerial effectiveness got affected and functioning was hampered partly due to inability on the part of the superiors to attend to genuine suggestions \ complaint or opinions (73%) or partly due to sheer volume of facts communicated (65.8%).

### **5.5.2.3 Nature of Horizontal Communication**

Majority of the personnel agreed that in their view, mutual functional support and cooperation between departments was encouraged (71% and 68.6%). Open communication and discussions across departments and among task group members helped in building trust (85.7%), in integrating and coordinating goal directed effort (85.7%). Departments shared relevant information during periodic meets (85.1%), which improved their efficiency (86%).

However, 74% of the personnel opined that maintaining departmental boundaries hindered utilization of resources (Table 4.4) With the statement, that interdepartmental meeting generated a 'they against us attitude', 41.2 % agreed while 43.9% disagreed and 14.9% remained indifferent.

### **5.5.3 Relationship between Organizational Effectiveness and Perceived Effectiveness of Organizational Communication**

The results of Pearson Product Moment correlations between scores on various dimensions of perceived organizational communication namely, downward, upward, and horizontal communication and total score on organizational communication and organizational effectiveness were computed. All correlations between organizational effectiveness and organizational communication and its dimensions ( .67,.62,.56 and .73) were found to be significant at .01 level. These results indicate that there exist significant positive correlations between organizational communication and organizational effectiveness. These results imply that higher the organizational communication, higher will be the organizational effectiveness and vice versa or in other words it can be said that in the organizations perceived to be effective downward communication, upward communication and horizontal communication will be characterized by accuracy, timeliness, preciseness and clarity of information to subordinates, constructive feedback, use of different modes of communication, repetition of important messages, encouragement to the employees to express their opinions, suggestions, complaints, sharing of all kinds of information with their superiors, acceptance and appreciation of constructive opinions/suggestions, coordination, information sharing, problem solving between departments, trust and openness in communication across the departments, and vice versa.

### **5.5.4 Extreme Group Comparisons**

On the basis of organizational effectiveness scores, top 27% and bottom 27% groups were selected and extreme group comparisons were then made for the dimensions of organizational communication that is downward, upward and horizontal communication and its total score. Significant differences were found between extreme groups on organizational effectiveness for all dimensions of organizational communication and overall organizational communication scores. In case of overall communication and its dimensions, mean scores of top 27% (M=178.73,M=67.29;M=79.11;M=32.32) were found to be significantly higher than bottom 27%(M=139.15,M=49.12;M=65.54;M=24.47). The results indicate that those who perceived their organizations highly effective also perceived the overall organizational communication to be more effective in terms of downward, upward and horizontal communication as compared to those who perceived their organizations to be less effective.

### **5.5.5 2 x 3 Analysis of Variance for Perceived Effectiveness of Organizational Communication**

To study the main effect of state, levels of management and their interactional effect on organizational communication and its dimensions, 2x3 ANOVA was applied and t-ratio were worked out wherever F was found to be significant. The effect of levels on management on overall organizational communication ( $F = 3.536$ ) and its dimensions namely downward ( $F = 5.366$ ), upward ( $F=3.92$ ) and horizontal ( $F=4.58$ ) were found to be significant implying that there exist significant differences among personnel working at three management levels in the automotive industry of Punjab and Haryana with respect to effectiveness of organizational communication and its dimensions. In case of Overall communication the middle management personnel found it to be more effective than top and lower management personnel. Downward communication was found to be more effective by the personnel both at middle and lower management levels than the personnel at top management level. With regard to upward and horizontal communication, both middle and lower management personnel found upward and horizontal communication effective compared to top management personnel.

The effect of state ( $F = 1.90; 1.93; .331; 4.11$ ) and the interactional effect of state and levels on overall organizational communication ( $F=.624; 1.649; .052; .221$ ) and its dimensions were found to be insignificant. These results indicate that there exists no significant differences in the effectiveness of overall organizational communication and its dimensions namely downward, upward, horizontal communication in the automotive industry of Punjab and Haryana State. Six groups on the basis of states and levels of management did not differ significantly with respect to perceived effectiveness of organizational communication and its dimensions namely downward, upward and horizontal communication.

### **5.7 Conclusions**

Based on the findings of the study of perceived organizational communication effectiveness in relation to organizational effectiveness in the Indian Automotive Industry, the following conclusions can be drawn from the results thus obtained:

Majority of the personnel at three management levels in the automotive industry of Punjab and Haryana found downward, upward and horizontal communication characterized by most of the desirable features. In the perceptions of the majority of personnel in Automotive Industry downward communication was characterized by appropriate, precise and clear job instructions and appropriate performance feedback.

In case of upward communication, the personnel perceived it to be characterized by two-way communication and appreciation of the suggestions, and opinions by the higher ups. Horizontal communication was found to be characterized by mutual functional support and cooperation and sharing of relevant information between departments. However a few barriers to downward, upward and horizontal communication were also identified by the personnel. These included use of multiple channels and by passing of formal communication channels, screening of the information especially the negative feedback and maintaining of departmental boundaries.

- There is significant positive relationship between perceived organizational effectiveness and overall organizational communication and its three dimensions namely, downward, upward, and horizontal communication. Thus the first hypothesis that there exist significant positive relationship between the perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward and horizontal communication and organizational effectiveness stands accepted. These findings are corroborated by other research studies such as by Massey (1975); Muchinsky (1977); Roy (1990); Maloney (1993); Kumar (1994); Noone (1996); Pettit (1997) etc.
- There exists significant difference in the perceptions of extreme groups of organizational effectiveness with regard to the effectiveness of organizational communication. Those who perceived their organizations to be highly effective also perceived the overall organizational communication, downward communication, upward communication and horizontal communication to be more effective than those who perceived their organizations to be less effective in the automotive industry. Thus the second hypothesis that there exist significant differences between the extreme groups on organizational effectiveness with regard to perceived effectiveness of organizational communication and its dimensions namely downward, upward and horizontal communication in the automotive industry stand accepted. The findings of the earlier studies by Farmer (1999); Priyadarshani and Venkatpathy (2003); Papadakis (2005); Morley et.al. (1997) lend support to the findings of the present study.
- There exist insignificant differences in Punjab and Haryana automotive industry with regard to overall perceived effectiveness of organizational

communication and its dimensions namely downward, upward and horizontal communication implying that the state had no effect on the overall organizational communication and its dimensions. Thus the hypothesis that the state has a significant effect on the perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry stands rejected. However, the researcher did not come across a study that shows the impact of state on the perceived effectiveness of organizational communication with respect to its dimensions.

- There are significant differences among the personnel at three management levels (top, middle and lower) in the automotive industry with regard to overall organizational communication effectiveness and its three dimensions like downward, upward, and horizontal communication indicating that levels of management had an effect on overall organizational communication and its dimensions. Personnel working at middle management level perceived overall organizational communication in the automotive industry more effective than the personnel at both top and lower management levels. In case of downward communication, significant differences in favour of personnel working at middle management level were found between middle management and lower management. Personnel working at middle and lower management level perceived upward and horizontal communication more effective than the personnel working at top management level. Thus, the fourth hypothesis that the levels of management has a significant effect on the perceived effectiveness organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry stands accepted. Larson and King (1973); Smith and Keil (2003); Rosen and Tesser (1975), Jablin (1979) studies substantiate the findings of the present study.
- The interactional effect of state and management levels on the perceived effectiveness of organizational communication with respect to its dimensions in the automotive industry was found to be insignificant. Thus the hypothesis that there is a significant interactional effect of the state and the levels of management on the perceived effectiveness organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry stands rejected. The researcher again did not come across such study highlighting the interactional impact of both the state and the management on the organizational communication and its dimensions.

## **5.8 IMPLICATIONS FOR INDIA AND RECOMMENDATIONS FOR FUTURE RESEARCH**

\*In today's highly competitive business world, organizations in India are facing a stiff and difficult competition in the global markets. Over the past few years India has become one of the fastest growing economies and it needs to embrace competitiveness spirit for maintaining and improving over its recent performance (Pillannia, 2008a). Organizational analysts have ascribed varying degrees of importance to the communication process. Ganguly (1995) in his study of Indian organizations found that good communication is the foundation for sound management. The Calcutta based Philips consumer Electronics bridged the gap between the management and workers by transparency through two-way communication. Pyobir Sen, MD, drastically improved system of internal communication at Indian Airlines (Dwivedi, 1998). Communication -honest, open and two way is always an important element in the management of people, the human resources of organizations (Smith, 2006) and is also considered as an important determinant of organizational effectiveness (Somasundaram, 1995; Reddy & Gayatri, 2005).

The findings of the present study clearly indicate that there exist significant positive correlation between the perceived effectiveness of organizational communication and its dimensions and organizational effectiveness and also significant differences between the extreme groups on organizational effectiveness have been observed. The present study highlights that the managers who send across timely and accurate information and seek in turn information and participation from their subordinates or across departments are perceived to be effective communicators that only corroborates the findings of the earlier studies. The more effective the system of communication, the better is the relations between the workers and between workers and the management (Diwan & Aggarwal, 1997). No major dissatisfaction vis-vis a their managers' communication style or content emerged from this study This could be attributed to the cultural influence as individualist and collectivist dimensions of culture also have a profound effect on learning. In collectivist approach, people are viewed as the recipients of wisdom. This view is tied directly to respect of elders (teachers,

managers, superiors, etc.) who hold knowledge because of seasoned wisdom and experience, and who have the responsibility to share such wisdom with those who are younger and junior in status. Translated to the workplace, and the finding from the present study further reiterates that the majority of the personnel across six automotive industry at different levels did not appear or perceived to amiss something related to their communication expectations. They perhaps felt more comfortable collaborating with others, seeking feedback and approval from authorities, and most likely only appreciated their success in relation to their membership in the group.

However, findings from cross-cultural studies confirm that subordinates from countries with a large power distance culture as in India tend to respond less positively to management practices aimed at encouraging more employee participation and involvement in decision –making. For instance Robert et al. (2000), reported a negative relationship between empowering practices and job satisfaction in India , which has a large power distance culture. High power distance cultures have a clear separating of superiors and subordinates with distinctive roles for each. As in the the present study also confirms that some meager percentage of the personnel perceived that the managers would not share the relevant \ critical information with them and would not involve them in the decision making process.

Further, Indian culture, characterized by collectivistic culture( Hofstede,1997,) that focuses on group needs over individual needs and desires, may also lead to the perception among the personnel that their managers do not shower them with praises as an individual and they may feel slighted and dissatisfied. Especially, the present workforce who is under the profound influence of Western and American culture may not align him or herself with the group and may have his or her individual aspirations.

The challenge for the Indian managers, therefore, is to become more open minded towards the opinions of employees and create a climate of collective decision – making. They will increase their efficiency and competitiveness by reducing barriers to communication and by eliminating boundaries, which impede the understanding of end-to-end workflows and better performance on strategic goals The ability to communicate and seek communication from people down the line will effectively increases productivity, not only of managers but of organizations as well.

The following strategy is proposed to increase the effectiveness of organizational communication in the automotive industry:

- \*To increase effectiveness of downward communication, it is proposed that personnel should be provided with necessary information related to their jobs. The communication should catch their interest and motivate and educate them about how their specific positions contribute to overall company success.
- Job instructions should be clearly spelt out so that there is clear understanding regarding job performance and job expectations.
- Preferably complex job instructions should be in a written form or properly documented to avoid confusion.
- Clear and relevant messages should be formulated. In this era of information overload, employee communication must be simple, brief and relevant.
- It is also important to identify the appropriate vehicle for communication – such as memos, speeches, meetings, videos, newsletters, electronic message boards, training sessions, news releases, posters and so forth, keeping in mind the rationale, the attitude and the limitations of the employees or the nature of task involved.
- It should be borne in mind that individuals and groups at different levels and in different segments of an organization may perceive same information differently as they are not homogenous entities. They vary in nature and in their competence level. Therefore it is important that messages that are appropriate to the intended audience must be delivered effectively by selecting the right channel to the right person and groups at the right time.
- Messages communication sent through different vehicles should be consistent across those vehicles to ensure credibility and avoid confusion amongst employees at various levels.
- Bypassing of formal channels of communication should be discouraged as it leads to confusion regarding the real boss. Communication as far as possible should be sent by the immediate superior.

- However, an effort should be made to reduce their highly noxious byproducts like the exercising of authority with impunity, behaving like a domineering boss, not empowering or engaging people in decision making process. Hierarchies should be made more habitable for employees and more productive as well by using both formal and informal channels.
- In multilevel organizations, messages get distorted as they travel up and down the ladder of command. It is not just a matter of noise or random error. On the contrary it is deliberate move. The feeling of self protection and self-interest generally motivate people to drop out relevant information especially the negative feedback as messages make stops along the vertical route.
- For improving and enhancing the effectiveness of upward communication, barriers such as screening of information at different levels, overload of information, filtering of information especially negative feedback, distorted communication and status barriers should be eliminated or minimized in the automotive industry.
- They should develop nonadversary system where employees feel uninhibited in bringing their complaints and grievances against their immediate supervisors.
- Superiors should ensure the involvement of personnel at different levels in decision- making, policy planning, making of rules etc.
- Superiors should develop skills in sensitive and objective listening in order to reduce subordinates' fear about communicating problems upwards.
- However sensitive leaders-aware of how difficult it can be for their subordinates to speak truth to power- should take steps to make speaking the truth as painless as possible. The message should go down the levels that failures are an inevitable accompaniment of doing a job; hence these should be talked about openly, not hidden, papered over, or blamed on others. On the contrary, the personnel should feel free to share all kinds of feedback including negative feedback.
- Superiors can increase their informal contact with subordinates through, for example social events, or occasional tours of the plant. Also in routine staff meetings, problems, complaints, grievances, questions and clarification besides production issues should be discussed. The superiors should stay

alert continuously to the relevant subtexts of their surroundings and attend to genuine suggestions and opinions.

- To increase effectiveness of horizontal communication in automotive industry, there is a need to sensitize personnel working in one department of the role, needs, expectations and problems of other departments.
- Members' awareness of other departments' problems could be expanded through methods such as training programmes, job rotation or social events, collaborative tasks\ projects, or by constituting multidisciplinary teams.
- Departmental meetings should be held and conducted in such a manner that they generate favourable attitude rather than they-against-us attitude among personnel in automotive industry. Constructive confrontation and working through of disagreements should be encouraged. .
- But more important than any specific vehicle for upward or downward communication is the commitment by top management to the ongoing importance of communication to the success of the business mission. They should have more frequent interaction with the top management personnel in the organization. Automotive industry should pay attention to these factors so as to increase the effectiveness of organizational communication.

#### **Directions for Future Research:**

The present research could be extended to the industry other than the automotive industry for providing useful insight into the internal communication pattern in industry. Further the present research was confined to the area of Punjab and Haryana only. .Hence similar kind of research can be conducted in the automotive or other industry giving due representation to the other areas like south, west and east of India.

In the present research, the sample size was restricted to only three management levels i.e. top, middle and lower. Further studies can be conducted including in the sample the supervisor and worker level which can give a comprehensive understanding of the internal communication system in the automotive industry.

The present research has focused on the nature of internal, formal communication including downward, upward and horizontal communication and its relationship with organizational effectiveness. It is proposed that there is a need to undertake studies to identify the nature of external communication in the automotive industry and the

variables that may affect external communication. An attempt can be made to identify both primary (i.e. the variables that are universal to external communication) and the secondary (i.e. the variables pertaining to the individuals or the context in which external communication is transmitted) variables affecting external organizational communication

There is ample scope for conducting research on the role of informal communication network which can be quite effective for an organization. The informal communication also known as grapevine may carry rumour and gossip, even so it carries far more information than the formal communication system and on many matters, it is more effective in determining the course of an organization. Therefore the research in this area could be of immense use to both to the managers as well as to the organizations. The focus could be how organizational climate and environment affect grapevine activity, whether managers are aware of the presence of the grapevine and how they handle and make use of it. Do they keep in touch with the grapevine and turn it into a constructive tool.

In addition, comparative studies of effective and ineffective organization can be undertaken to study the differences in their organizational communication-downward, upward and horizontal or both formal and informal channels of communication

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# Chapter 1

## INTRODUCTION

### 1.1. Importance of Communication in Organizations

Communication is key to the functioning of organizations. Communication is considered to be the most important and critical activity, which helps in operating organization through communication among people (Davis, 1981). An organization is a group of people constituted to achieve certain specific objectives. The achievement of these objectives largely depends upon a proper coordination and integration of human effort in an organization. Coordination and integration of various human activities are possible only if there is an effective system of communication in the organization, which provides for exchange of information and sharing of various ideas. The more effective the system of communication, the better are the relations between the workers and between workers and the management (Diwan & Aggarwal, 1997). Communication, however, cannot be viewed simply as an important organizational component. Rather, “Communication is every organization's lifeblood” (Andrews and Herschel, 1998). Communication is as necessary to an organization as the “blood stream is to a person. Just as people develop arteriosclerosis, hardening of the arteries that impairs their efficiency so may an organization develop info sclerosis- hardening of the information arteries that produce similar impaired efficiency” (Davis, 1981,p271).

The importance of communication for achieving organizational objectives, furthering human relationships, making sound decisions, and so forth is pointed out by nearly every modern work on organizations. It is also considered as an important determinant of organizational effectiveness (Somasundaram, 1995; Reddy & Gayatri, 2005). .” (Bovee,<sup>2</sup>2005,p48) observes that the functional importance of technical communication for an individual or an organization cannot be over emphasized. “Achieving success in today’s workplace is closely tied to the ability of employees and managers to communicate effectively with each other and with people outside the organization. The ability to communicate effectively increases productivity, not only of managers but of organizations as well. With good communications skills, one can anticipate problems, make decisions, coordinate workflow, supervise others, develop relationships, and promote products and services.” The list of its multipurpose functions is very long. It not only makes professional interaction possible but also directs the flow of technical information and knowledge for the guidance of technocrats, engineers, and

others in their professional activities. According to Rizvi (2005, p14), “Communication stimulates scientists, engineers and researchers to act to achieve individual as well as social and organizational objectives and develops information and understanding essential for effective group functioning. Moreover it leads to unification between the activities of individuals as a work team and helps to foster positive attitudes required for motivation, cooperation and other important organizational processes. Finally, it ensures free exchange of information and idea and promotes scientific temper and maintenance of professional relations.”

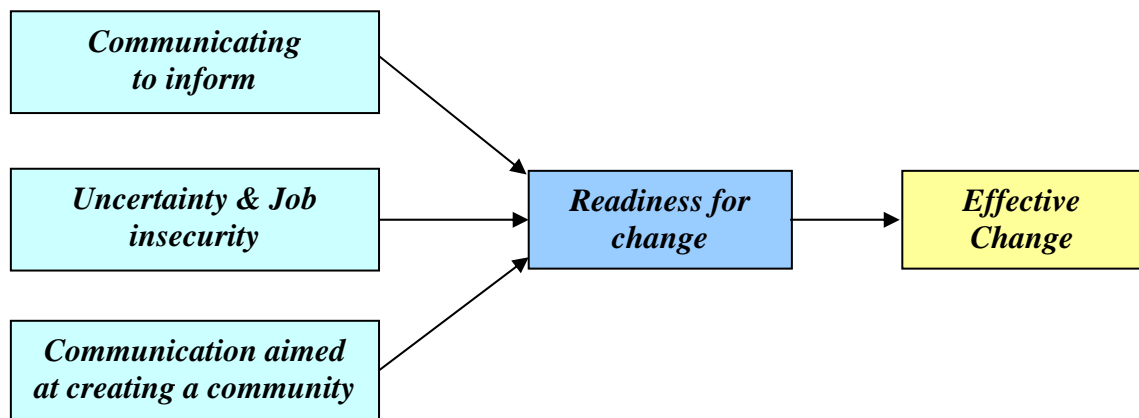
Organizational analysts have ascribed varying degrees of importance to the communication process. According to Ganguly (1995), good communication is the foundation for sound management. The managerial functions of planning, organizing, directing and controlling depend on communication in an enterprise. “The Calcutta based Philips consumer Electronics bridged the gap between the management and workers by transparency through two-way communication. Pyobir Sen, MD, drastically improved system of internal communication at Indian Airlines” Dwivedi (1998,p2). Further Rama J Joshi(2001,p5) in her article “High Performance Culture” writes that “an open, honest and relevant communication is an important factor in developing a culture of high performance. Developing good communications is therefore, essential in order to generate trust, cooperation, commitment and feeling of belonging. \*Smith,( 2006) opines that an honest, open and two way communication is always an important element in the management of people, who are the human resources of organizations. However in his critique of undifferentiated views of the benefits of open communication, Eisenberg and Witten (1987) identified four types of contingencies namely – individual, relational, organizational and environmental which decide individual’s decision to be more or less open.

Wilensky (Hall, 1991) suggests that four factors determine the varying importance of communication for the organization namely: (a) The degree of conflict or competition with the external environment, (b) The degree of dependence on internal support and unity, (c) The degree to which internal operations and external environment are believed to be rationalized, (d) The size and structure of the organization, its heterogeneity of membership and diversity of goals, its centrality of authority. Thus highlighting the fact that organizations face conflicts of various types like differing subunit goals and perceptions, cultural diversity within the organizations, win-lose and game situations, and it is only an effective communication system that helps to reduce destructive effects of organizational conflicts.

Many of the problems that occur in an organization are the direct result of people failing to communicate (Parkinson and Rustomji, 1984). Uniformly throughout industry and commerce, breakdowns that are blamed on poor leadership, insubordination, or general ineptness may be attributed to failure of communication (Hubbard, 1996). Hubbard in his study of business and organizational communication system, both inter office and inter-plants discovered that by reasons of poor communication alone most business and industrial organizations are running at less than 12% efficiency. The leader and his subordinate wish to work smoothly together. Hubbard observes that they are often skilled at the operations, which they must estimate and perform. But lacking a cultural heritage of good communication, they find themselves unable in many cases to use their skills effectively. Not realizing what it is they lack, they blame each other's abilities and motives and so create discord and further failure of communication. \*Hence if there is no communication, organizations can collapse for lack of coordination of work (Oldcorn, 1989).

When organizations undergo change, in order to meet the demands of the changing markets, there arises a need for additional communication within the organization (Argentice, 1998). Additional communication is called for at such a time because one role of a leader in an organization is to provide a vision of a credible and attractive future for the organization. \*In fact, there is a positive correlation between the degree of effectiveness of the change with the degree of effectiveness of the communication strategy (Huseman & et al., 1986). Withers (1990) concluded that the introduction of change can be made much easier and resistance to be minimal where the managers implement strong communication programme. In a management case titled Asoka Spintex, Gupta (2000,p 14) comments that “The degree of effectiveness of the change is positively correlated with the degree of effectiveness of the communication strategy” (Huseman & et al., 1986). Withers (1990) concluded that “managers who direct a strong communication programme will find the introduction of change to be much easier and resistance to be minimal. In a management case titled Asoka Spintex, Gupta (2000) reported the response to a question “What strategies should Lalbhai adopt for the long term survival of the company Asoka Spintex - an ailing company in 1987 to a growing company in the year 1997” remarked that “there are inherent weaknesses in the company's communication and decision making processes. There appeared to be little communication, consultation or serious work related discussion....” Amongst the multiple solutions it was suggested, “There should be greater emphasis on information sharing and exploration of ideas through face to face meeting.”

Effective communication takes on added importance especially, when employees are experien\* Change guru J. P. Kotter (1995) takes the view that poor communication is, in very many cases, the root cause of failed efforts to achieve effective and lasting organizational change. He further says that the change is possible if people are willing to make short-term sacrifices, and this can be achieved through credible communications with them. Elvining (2005) and Smith (2006) examined the important role of communication during periods of change. According to Elvin communication is vital to the effective implementation of organizational change. Poorly managed change communication results in rumors and resistance to change, exaggerating the negative aspect of change. He proposed a conceptual model of communication during organizational change as given below.



**Figure: A: Conceptual Model of Communication during Organizational Change**

Elvining in the suggested model makes a distinction between the informative function of communication and communication as a means to create a community. Through this model he shows that communication can help form a community of employees who trusts the organization, is committed to the organization and its management. And this identification with organization affects employees' readiness to change and reduces his sense of uncertainty.

Barker and Camarata (1998) highlight the role communication plays in creating and maintaining learning organization. The learning organization and its embedded communication are poised to meet most of the demands of a dynamic, ever-changing environment. The kinds of communication expressed in the relational foundations, preconditions, indicators, and disciplines are necessary for creating and maintaining this learning. A new approach for interacting, which moves from primarily economic

to include a relation-base, should be fostered. Through communication, this new organization can reach its potential.

“Communication across organizational boundaries and learning forums that allow exchange of ideas can create a more active attitude towards information” (Vikalpa, 1999). Rightly Price and Muller (Hall, 1991) view communication as a panacea for whatever ails an organization

“Good communication is good business. We have learnt this from the Japanese who invest as heavily in their people as in their machinery. The idea is that the more people you have working on the problem, the better chance there is for success. Communications is the glue, which binds people working together towards a common goal. If employees are not given adequate information nor allowed to contribute to the solution of problems, they may revert to being the cause of them, resulting in increased absenteeism, lower productivity, grievances and so on” (Corrodo, 1994, p 2)

The information age heralded the coming of a new type of organization; an organization with an information based structure (Drucker, 1988). Peter Drucker defined this information-based structure as an organization comprising of knowledge specialists who are engaged in mental rather than physical work. These knowledge specialists create or process information for the firm so that the organization will learn and survive in a potentially hostile, turbulent, and competitive environment.

Emerging information age is progressively reshaping perceptions of society and ideas about management, organization, communication and work itself. The explosion of information, the ability to access nearly everything being written electronically, and the rapid and continuing distribution of computers through out homes and offices have created a revolution. This revolution in turn is influencing the way organizations are structured, the people lead and attempt to share power with others, and the very nature of organizations and organizational communications (Mcluhan, 1964).

Stewart (1993, p22)te that “We all sense that the changes surrounding us are not mere trend but the workings of large, unruly forces: the spread of information technology and computer networks; the dismantling of hierarchy; the structure that has essentially organized work since the mid-nineteenth century. Growing up around these is a new information age economy, whose fundamental sources of wealth are knowledge and communication rather than natural resources and labor.”

There is growing evidence that suggests the occurrence of a basic global shift in the organization of work. An editorial essay in 'Organizational Science' characterizes this shift. "As we contemplate the cataclysmic changes occurring in the environment of organizations, and as we observe the organizational revolution sweeping one industry after another, it is altogether clear that the management of organization is undergoing a paradigm shift"\*(Daft and Lewin, 1993,p 4)organizations are under tremendous pressure to examine how best to design their processes so that their products or services provide maximum value to their internal and external customers. Therefore, many organizations are experimenting with new organization forms that are designed to facilitate empowered cross-functional communication. The challenge is to become more efficient or competitive by reducing barriers to communication and to eliminate boundaries, which impede the understanding of end-to-end workflows and better performance on strategic goals. An organization's capability for creating and communicating knowledge is seen as a resource, which can "create global strategic competitive advantage" (Tucker et.al, 1996,p 51). It is entirely 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... Communication is not a secondary or derived aspect of organization- a 'helper' of the other presumably more basic functions. It is rather the essence of organized activity and is the basic process out of which all other functions derive"\*(Bavelas and Barrett, 1951,p368)ective and efficient organization communication system provides access both to objective and tacit knowledge which is the basis for higher performing internal and external organizational collaborations (Daft & Lewin, 1993).

Information age, characterized by advances in technology, globalization, culturally diverse work force, team based organization and enlightened work force has changed the character, needs, and importance of organizational communication. Advances in technology increase the speed, frequency, and reach of communication. People from opposite ends of the world can work together seamlessly, twenty-four hours a day. Moreover, advances in technology make it possible for more and more people to work away from the office- in cars, airports, hotels, and at home (Laudon & Laudon, 1990). This increased use of new technology requires employees to communicate more effectively and efficiently. Technology showcases one's communication skills-one's writing skills are revealed in every e-mail message, and one's verbal skills are revealed in audio and video teleconferences. Furthermore, intranets (private corporate net-works based on Internet technology), and extranets (the extension of private networks to certain outsiders such as suppliers) facilitate communication among employee's managers, customers, suppliers, and investors. The challenges of communicating effectively

with people inside and outside the organization are magnified as more businesses install such networks and they increasingly engage in electronic commerce (e-commerce), the buying and selling of goods and services over the internet.

More and more businesses today are crossing national boundaries to compete on a global scale. Increased globalization and workforce diversity mean that employees must understand the laws, customs, and business practices of many countries and be able to communicate with people who speak other languages. Understanding people and their perceptions, their backgrounds, values etc. helps one become a more effective communicator.

The command-and-control style of traditional management structures is ineffective in today's fast-paced, e-commerce environment. Successful companies no longer limit decisions to a few managers at the top of a formal hierarchy. Instead, organizations use teams and collaborative work group to make the fast decisions required to succeed in a global and competitive marketplace. To function in a team-based organization, one must understand how groups interact, reach decisions, work collaboratively, and resolve conflict. Moreover, people should have ability to listen to and understand others, give balanced feedback, explore ideas keep everyone involved, and credit others work. This requires a basic understanding of the communication in organizational settings (Brandon, 1998)

Today's employee has different values and needs than the employee in earlier decades of this century. Employees have changed dramatically over the last half-century. A new generation of employees, most of whom are better educated, have higher expectations than their ancestors did, and want to work more with their heads than their hands, are more likely to want more information about the company for which they work. James Houghton, CEO of Corning Inc., says that "Today, people question the status quo. They want to make their own decisions. They want to share their ideas and their enthusiasm and not just be told what to do" (Schaefer, 1993). Another report in *The Wall Street Journal* (November 10, 1995) showed that almost two-thirds of employees want more open communication with managers. Kanter (1991,p 91) emphasizing the importance of communication and other human oriented activities argued "new managerial work involves communication and collaboration across functions, across divisions and across companies. .... And having the knowledge, skills, and sensitivity to mobilize people and motivate them to do their best."

Other advantages of effective communication highlighted by various authors (Sen, 2004; Herschell, 1998; Fisher, 1999; Koul, 2002; Summers, 2005; Rizvi, 2005) are that communication (a) creates better interpersonal relations (b) helps to network with people (c)

helps to collaborate with everyone at the workplace (d) influences motivation for enhanced performance (e) helps employees to understand need for change and (f) helps in gathering, evaluating and dissemination of information.

\*Peters and Waterman (1982) after concluding their 'search for excellence' asserted that rich, informal communication leads to more action, more experiments, more learning and helps us in to stay better in touch and on top of things.

The kind of communication that takes place in the business world is not natural communication, but cultivated, strategic communication. It needs to be strategic in the sense of not only accomplishing its immediate informational goals but also in contributing to the development of a healthy, long-term relationship between the sender and the receiver (Monnippally, 2005). It thus, becomes imperative to understand the concept, nature, process, barriers and types of communication in organizations.

## **1.2 Organizational Communication**

There is no basic difference between the general communication and organizational communication because the process is the same in both the situations. Organizational communication too includes creating and interpreting of messages and the principles that regulate them are also the same. However, Sharma and Mohan (2002) differentiates the two on the following basis that organizational communication (a) deals with various commercial and industrial subjects, (b) it uses commercial and technical vocabulary, (c) it is impartial and objective as extreme care is taken to convey information accurately and concisely, and (d) always formal in style.

Wilson (1986) elaborating it further, comments that the difference between organizational communication and other forms of communication lies in that the former is part of an interaction between organization members and actions of the organization and the events within it.

There are diverse definitions of organizational communication, because of differing views of the meaning of organizations (Andrews & Herschel, 1998). For instance, Tortiriello and et.al (1978) defined organizational communication as "the flow and impact of messages within a network of interactional relationships." Goldhaber (1993,pp 14-15) "organizational communication is the process of creating and exchanging messages within a network of interactional relationships to cope with environmental uncertainty." More recently, Andrews & Herschel (1998,p14)ined organizational communication as "that process wherein mutually interdependent human beings create and exchange messages, and interpret and negotiate meanings, while striving to articulate and realize mutually held visions, purposes, and goals."

### 1.2.1 Types of Communication in Organizations

An organizational communication has been classified on the basis of its (a) organizational operation, (b) organizational structure, and (c) way of expression.

#### On the Basis of Operation

An organization whether large, small, or virtual, shares information with people both inside and outside the company to succeed. Lesikar and Flatley (2002) have classified organizational communication into three broad categories on the basis of information being shared within an organization and outside the organization and these are:

##### **(i) External-Operational Communication**

*It refers to communication that is carried into and out of the organization. Companies constantly exchange messages with customers, vendors, distributors, competitors, investors, journalists, and community representatives. External communication is vital to business success. Every business is dependent on outside people and groups for its success. And because the success of a business depends on its ability to satisfy customers' needs, it must communicate effectively with its customer. In today's complex business society, businesses depend on each other in the production and distribution of goods and services. This interdependence requires communication.*

##### **(ii) Internal-Operational Communication**

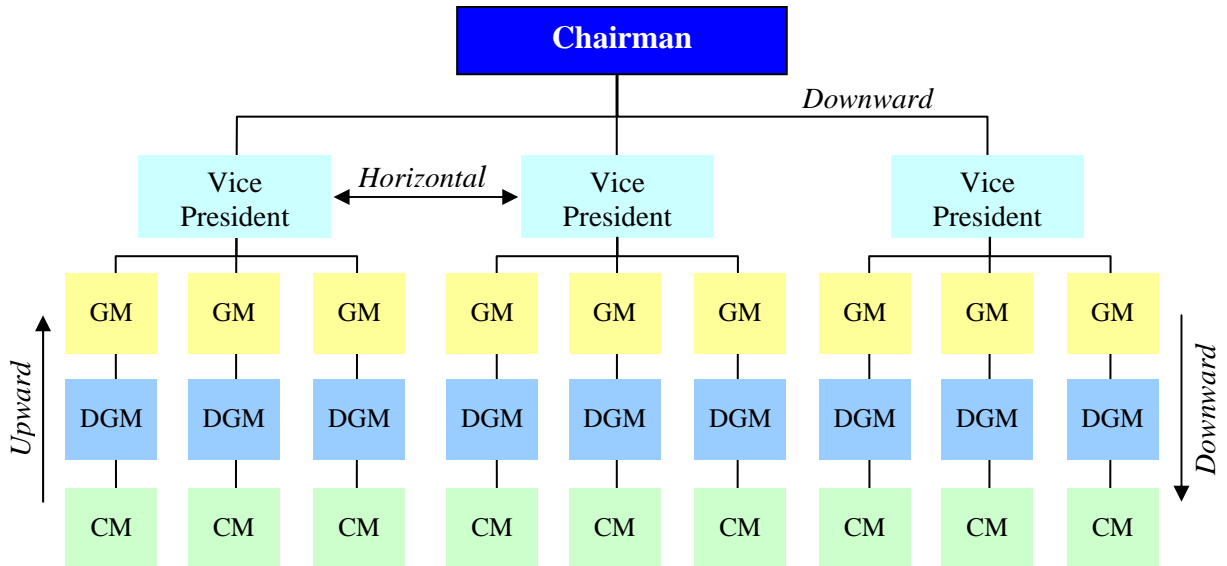
All the communication that occurs in conducting work within a business is classified as internal operational. Internal communication helps employees do their jobs, develop a clear sense of the organization's mission, and identify and react quickly to potential problems. Communication within an organization carries innumerable kinds of messages.

### 1.2.2 Communication on the Basis of Organizational Structure

The interaction between the different individuals working in an organization takes place through different channels. These channels could be both formal and informal based on organizational structure.

- (i) The Formal Communication:** The main lines of operational communication, also called formal channels, are like the network of arteries and veins through which information flows in modern business. In the organization, the path along which a communication is to travel is deliberately created to regulate the flows of communication. So as to make it orderly, and thereby to ensure that the required information flows smoothly, accurately, and timely to the points at which it is required (Mcshane & Glinow, 2005).

The formal communication is further grouped into three categories on the basis of direction of communication namely downward, upward, and horizontal communication (Lesikar and Flatley, 2002; Fisher, 1998) and as shown in the figure below:



**Fig.1.2: Organizational Structure**

GM=General Manager, DGM=Deputy General Manager, CM=Chief Manager.

**Downward Communication** refers to communication from the higher level in managerial hierarchy to the lower ones. Since most of the information, instructions and orders needed to achieve the business’s objectives originate at the top and hence must be communicated downward. Examples of downward communication include feedback regarding performance, job instructions, notices, rules and regulations, circulars, official instructions etc. Forms of downward communication may include notes, notices, memos, telephone conversations, voice mails, e-mails etc. Downward communication is essential for the functioning of any organization as it involves the transfer of information, instruction, advice, request, and ideas to subordinate staff (Fisher, 1999; Flatley, 2004).

**Upward Communication** refers to communication from subordinates to superiors. Examples of upward communication include business proposals, suggestion box, exit interviews, grievance committees, and so forth. Since upward communication involves the transfer of information, requests and feedback from the subordinates to their superiors, it promotes better working

relationships within an organization by giving the subordinate staff opportunities to share their views and ideas with their superiors. It facilitates employee involvement in the decision making process. Most companies recognize the need for more upward communication and find that executives need to be better informed of the status of the things at the bottom. Nevertheless, in any organization there has to be a balance between downward and upward communication channels (Rizvi, 2005; Aggarwal, 1997).

**Horizontal Communication:** The main objectives of horizontal communication are developing teamwork, and promoting group coordination within an organization. It takes place between professional peer groups or people working at the same level of hierarchy. Horizontal communication is less formal and structured than both downward communication and upward communication.

- (ii) **The Informal Communication:** Parallel to the formal communication is the informal communication, a secondary network consisting primarily of personal communication. Such communication system follows no set pattern; they form an ever changing and infinitely complex structure linking all the members of the organization (Lesikar, 2002). The complexity of this informal network, especially in larger organizations, cannot be overemphasized. Typically, it is really not a single network but a complex relationship of smaller networks consisting of groups of people. The relationship is made even more complex by the fact that these people may belong to more than one group and that group memberships and the links between and among groups are continually changing. Known as the grapevine in management literature, this communication network could be quite effective. Certainly, it carries much gossip and rumour, for this is the nature of human conversation. Hence, it could be sometimes fickle and inaccurate. Even so, the grapevine usually carries for more information than the formal communication system, and on many matters, it is more effective in determining the course of an organization. Wise managers recognize the presence of the grapevine. They keep in touch with the grapevine and turn it into a constructive tool.

### 1.2.3 Communication on the Basis of Way of Expression

On the basis of way of expression, organizational communication can be classified into three categories namely (i) Oral communication, (ii) Written communication and (iii) Non-verbal communication.

- (i) **Oral Communication:** It occurs through the spoken word, either in face-to-face communication, situation or through any mechanical or electrical device, such as a telephone, public address systems etc. Some advantages of oral communication are that it saves time and money, allows immediate feedback, helps in improving the motivation of people and generating a sense of participation (Sen, 2004).
- (ii) **Written Communication:** Written communication is preferred by the management when messages are lengthy, receivers are many and geographically distant and permanent records of communication have to be maintained. Written communication includes written words, graphs, charts, manuals, reports, letters, circulars and diagrams. Written communication is the most common form of communication used in an organization set up and to be effective, written communication must possess four important characteristics i.e. it should be clear, complete, correct, and to be intelligible. The main advantage of written communication is that it is more orderly and it is binding upon the subordinates and their superiors. Written communication gives more time to the receiver to think, analyze, and then decide upon the right course of action (Diwan & Aggarwal, 1997).

These two forms of communication are complementary to each other. These should be used as per the demands of the situation.

- (iii) **Non- Verbal Communication:** Non-verbal communication also forms a vital part of the process of communication. It cannot be ignored or eliminated totally from organizational communication. Most of our communication depends on a combination of verbal and non-verbal symbols. Non-verbal cues can affect the impact of verbal message (Birdswhistell, 1970). “Non-verbal communication affects decisions, shapes careers, and in many other ways moulds the quality of working life in organizations” (Fisher, 1999,p227). Actions often do speak louder than words. The importance of non-verbal behaviour in business and work settings cannot be under estimated. According to some studies, non-verbal signals carry more than sixty five

percent of all social meaning in interpersonal communication. The face alone is capable of producing 250, 000 expressions (Birdswhistell and Ray, 1970).

There is a rich variety of dimensions by which one transmits and receives meanings nonverbally. These dimensions are body language (bodily shape and appearance, posture, gestures, touching, facial expressions, eye contact and gaze), the voice (tune, pitch, rate of delivery and volume), and the environment (space, territory, architecture, interior, décor, time). It is a composite of symbols, gestures, and illustrations that accompany either the spoken or the written word (Koul, 2000). Managers and other employees can improve or enhance the effectiveness of their communication by developing understanding of non-verbal behavior and its interpretation and by acquiring non-verbal communication skills.

#### 1.2.5 Barriers to Organizational Communication

**George Bernard Shaw wrote, “The greatest problem with communication is the illusion that it has been accomplished.”**

**Communication is a complex process. In spite of the best intentions of sender and receiver to communicate, several barriers inhibit the effective exchange of information. Barriers to communication can be defined as obstacles that distort or block the flow of needed information. Barriers do not shut communication off within an organization, there is always communication. The question is one of communication quality—that is, whether the communication occurring in an organization will foster effective performance, satisfaction, and development. It is important for organizations to understand and act upon the barriers that block or distort an efficacious flow of communication (Nicholas, 1962). There are a number of barriers as identified by Fisher (1999) that can affect hierarchical flow and lateral flow of communication in the organization. These barriers are:**

- (a) **Barriers to Downward Communication:** Researchers Jablin, 1979; Mellinger, 1956 and Zalesnik, 1963 etc. have identified the following barriers to downward communication:
- **One-way Communication:** One-way message from superior to subordinates provides no opportunity for feedback.

- ***Differences in Values & Perceptions:*** Superiors tend to be committed to the total organization, subordinates to their department or sub-groups. Such differences in viewpoint can cause subordinates to filter out parts of a downward message.
  - ***Mistrust:*** Employees who mistrust a superior may misunderstand or block the relay of downward messages. Employees often feel their boss to be a more biased source of information than their immediate co-workers. Messages are differentially communicated. If the superior does not share cordial social or professional relationships with his subordinates, he may withhold information from their subordinates either deliberately or with this belief that the information is too complex to be understood by them. He may also delay sending messages.
  - ***The Psychic Conflicts of Leadership:*** The pressures that leaders experience often produce severe inner conflicts especially status anxiety and competition anxiety. Clearly, such inner turmoil can cause a manager to leave out or distort information when communicating with subordinates.
  - ***Two many levels of hierarchy:*** The information that travels through various layers of organizational structure often gets either distorted or filtered. One study showed that only 20% downward directed information ever reached the bottom organizational level. Findings in another study lowered the figure to a mere 5% (Nicholas, 1962). Information losses tend to be substantial to each level from top to bottom (Fischer, 1999).
- (b) **Barriers to Upward Communication:** Upward communication provides feedback to management in response to downward-directed messages and enhances acceptance of decisions by allowing subordinates to participate in the decision process. But there are numerous factors that can lead to poor upward communication as pointed out by many researchers (Rosen and Tesser, 1970; Downs and Conrad, 1982; Cameron, 1970; Ponder, 1968; Hage, 1971; Albaum, 1964 and Fisher, 1999).
- ***Attitudes of the subordinates:*** Subordinates are generally least willing to reveal unfavorable information when it reflects negatively on them and when they fear being the bearer of bad news.

- **Attitudes of the Superior:** Superiors may contribute to upward distortion by maintaining mistrustful and intimidating relationships with their subordinates.
  - **Characteristics of the Organization:** Highly formal organization structures and procedures may also block upward communication. For instance a formal, cautious, status conscious culture may limit open spontaneous expression in an organization and by comparison, an open, creative, debate filled culture may block communication needed to make decisions, schedules and policies.
- (c) **Barriers to Lateral Communication:** Lateral communication refers to exchanges between persons of equal organizational rank and this kind of interactions too is not always trouble free. Following are the identifiable causes for lateral communication problems as observed by (Ponder, 1968; Hage, 1971; Albaum 1964; Fisher, 1999).
- **Increased Specialization:** Increased specialization is a frequent problem for growing organization, where rapid growth in lateral communication can clog communication channels.
  - **Lack of management's recognition and reward:** Organizations generally encourage and reward vertical communication, but not lateral communication.
  - **Suppression of Differences:** Some people communicate less than candidly with their peers because they are afraid to express rivalry or disagreement.

In addition, organizations that operate across national boundaries encounter intercultural differences while dealing with clients, customers, suppliers, partners and they may face difficulties of intercultural communication. Similarly, gender-related barriers persist despite the increased acceptance of both men and women in virtually all occupations. The general attitude of men towards women remains that women lack aggression, independence, decisiveness and ambition. They feel women cannot handle many organizational roles and they view management in largely masculine terms (Powell, 1988). However, there is seen a favorable change in men's attitude towards women in recent years. Also, there are some other barriers that can hamper the smooth flow of communication within or outside organizations. These are

perceptual selectivity, evaluating things and people as good or bad, implicit assumptions, language differences and inadequate receiving of information.

These barriers, if left unattended, can lead to slow or ineffective communication, which in turn can act as roadblocks to organizational progress and adversely affect the organizational effectiveness.

### **1.3 Organizational Effectiveness: Concept and Measurement**

In today's highly competitive business world, organizations are facing a stiff and difficult competition in the global markets. "Today global firms present an ever moving target to the pack of followers. By the time the latter reaches the present stage of global standards, the leaders move to another level of competitiveness" (Jain, 2001,pp37-38). A company that excels is one that continually strives to identify and focus on factors critical to its customers and improve its processes in order to provide the highest quality product or service possible. So, "Organizational excellence is a continuous process and not a one time act either of investment or innovation." Today's consumers have come to expect quality as an essential dimension of the product of service they are purchasing. Effective organizations respond to their customer's expectations by focusing their companies' value chain on providing quality products and services for their customers. Companies that in the past surveyed customers only periodically are now doing so regularly. Studying the customers; defining target markets; and providing processes; products and services to support what the customers want are helping many companies redefine who they are and helping them reach new levels of success (Summers, 2005). The essence is captured by Arvind Mill's statement that "the biggest challenge during the period is non-stop renewal of strategy to stay ahead." Managers have a continuing responsibility to recognize environmental changes, to restructure available resources to modify technology and so forth.

In this context the study of effectiveness of organizations has acquired a significant role in modern industrial society, first because, energy, human resources, finance etc., are invested in industrial organizations everyday (Reddy et al, 2000). And secondly, interest in this topic has heightened by a growing appreciation of the vital role played by organizations in the life of people in the contemporary society. People have become dependent on organizations of various types for the satisfaction of their needs, and their need satisfaction directly depends on the degree of effectiveness of organizations. As such, understanding of organizational effectiveness is of vital importance for the society at large. Concept of organizational effectiveness, however, is filled with obstacles regarding assessment, namely the criteria problems, criteria choices and the unique attributes of the organizations involved (Verma and Jain,

1996). It has been one of the most elusive research subjects since the early development of organization theory. Discussions pertaining to the field of organizational effectiveness have generated great amount of diversity among various theorists. Campbell (Prasad, 2006), commented, "Since an organization can be effective or ineffective on a number of different facets that may be relatively independent of one another, organizational effectiveness has no operational definition." In spite of these problems in defining organizational effectiveness and identifying criteria against which the degree of organizational effectiveness may be measured, conceptualization of organizational effectiveness depends on the way the organizations are visualized. Parson (1963) viewed organizations from four different perspectives. These are:

- **Organizations oriented to economic production.** These represent the common stereotype of organizations. Geared toward profit making, most are businesses that manufacture products and/or offer services for consumers. Economically self-sufficient, these organizations either survive or falter based on their ability to recover their expenses through the sale of their services or products.
- **Organizations oriented toward political goals.** Generally funded and empowered by local, state, and federal governments, these organizations include government offices, legislative bodies, police and military forces, and financial institutions such as banks (the latter creating and allocating power in a business economy). They are designed to generate and distribute power within society.
- **Organizations oriented to integration goals.** These are designed to mediate and resolve tension and discord among groups and individuals within society. Oriented toward helping solve social problems, these organizations include legal offices, the court system, public interest groups, consumer advocacy groups, and political parties.
- **Organizations oriented to pattern maintenance goals.** These organizations promote cultural and educational goals and development within society. In general, they grow from the norms of a particular society and include families, schools, religious organizations and diverse volunteer organizations. Health care organizations also fit into this category, since theoretically they help preserve society by diminishing and managing health problems, and by making it possible for individuals to return to normal functioning within society.

There have been many attempts to define and measure the effectiveness of an organization. The following definitions of organizational effectiveness emphasize a different criterion for measuring organizational effectiveness.

Effectiveness of an organization is determined by its realization of its goals. (Etzioni, 1990). Kimberley (1979) stated that effectiveness of an organization is judged by the survival of the organization. An organization remains effective as long as it uses its resources in an efficient manner and continues to contribute to the large system. Yutchman and Seashore(Jain, 1967).

Organizational effectiveness as a central concept in organizational research has been analyzed from several angles Cameron and Whitton (Jain, 1983). One of the angles frequently considered is the assessment of organizational performance through tangible indicators reflecting the organization's successful transaction with the environment in exploiting scarce resources. According to Sayeed (1992) "Organizational performance has been measured by two distinctive approaches – the tangible indicator assessment and the perceptual method based on perceived productivity and perceived adaptability of the organization. Researchers for measuring effectiveness have used a number of indicators that can be grouped into three as given below:

- **Objective Indicators** - profit, production rate, etc. Bidani & Mitra, George, (Sayeed, 1992)
- **Subjective indicators** - employee satisfaction, quality of work life, job satisfaction, organizational climate etc. Ghosh & Ghosh, Khandwalla & Jain, (Sayeed, 1992)
- **Social indicators** - contribution to society, development of infrastructure, etc. Hage (Sayeed, 1980).

The research on organizational effectiveness has dwelt mainly on two distinctive approaches namely: objective Indicators and subjective indicators. Both these approaches possess their own strengths and weaknesses. Objective or tangible indicators are quantifiable and provide a valid base for inter organizational comparison and evaluation over the time period (Sayeed, 1991). Mott (Sayeed, 1991), however, preferred measurement of organizational effectiveness on the basis of perceptual criteria, rated by the constituent members, and knowledgeable persons

within and outside the organizations. Subjective indicators influence the behavior of the individuals in the organization who determine its survival, growth and performance and most importantly facilitate comparisons between organizations (Reddy and Gayatri, 2000). Further pointing out the advantages of subjective indicators over objective indicators, Sayeed (1992) observed that subjective indicators were relatively less susceptible to environmental variation as seen in the case of tangible or economic indicators. However according to Sayeed, “a researcher’s deeper understanding of uniquely defined organizational effectiveness parameters and caution play a dominant role in making the study more acceptable.”

Based on these approaches, researchers have offered a variety of models for examining organizational effectiveness. The most widely used models are the Goal model Price and Seashore (Jain, 1996); the System Resource model, Seashore & Yuchtman (Jain, 1996); the Internal Process/Maintenance model (Bennis, 1966); and the Legitimacy model Miles and Cameron (Jain, 1996). If the organization is conceived as a deliberate, rationale goal seeking ability system, then it is natural to argue that successful goal accomplishment is an appropriate measure of effectiveness (Perrow, 1970). Similarly, if one views organizations as political arenas, wherein competing interest groups vie for control over resources, then it logically follows that effectiveness should reflect the extent to which critical constituencies are satisfied with their involvement in the resource allocation process (Pfeffer, 1978). The System Resource model defines effectiveness, as the extent to which an organization acquires needed resources. Yet, Cameron (Jain, 1996) points out that some organizations are judged to be effective, even though they fail to acquire needed resources, whereas others are deemed ineffective even when resources are acquired in abundance. The Internal Processes model and the Legitimacy model also illustrates exceptions, organizations can be effective when Internal Processes are operating poorly, or when the organization does not achieve legitimacy with its public (Jain, 1996). None of these models captures the total meaning of effectiveness or in other words, the multi dimensionality of organizational effectiveness is a direct consequence of the multiple lenses with which organizations are approached.

Kilman and Herdle (1976) proposed framework for understanding for internal and external factors of effectiveness. While the internal aspects of effectiveness emphasize outcomes for employees concerning motivation and fulfillment, job design, reward systems, coordination, personnel training, developmental opportunities and the external aspects of effectiveness deal with societal demands and their satisfaction. As many people including the management, customers and

suppliers, have a stake in an enterprise, the ultimate achievement of goals and profitability are the aims of satisfying these constituencies. By strengthening the internal as well as external aspects of effectiveness, the overall functioning of an organization can be tremendously improved.

Quinn and Roherberg (1983) presented two panels of experts with thirty possible criteria of organizational effectiveness to sort through them and construct a viable framework for assessing the effectiveness of an organization. The findings suggested that the criteria of organizational effectiveness could be sorted out according to three axes or value dimensions. The first value dimension is related to organizational focus from an internal, micro emphasis on the well-being and development of people in the organization to an external, macro emphasis on the well-being and development of the organization itself. The second value dimension is related to organizational structure, from an emphasis on stability to an emphasis on flexibility. The third value dimension is related to organizational means and ends, from an emphasis on important processes (planning and goal setting) to an emphasis on final outcomes (productivity). The result was a Competing Values Model of organizational effectiveness, the axes of which represent fundamental dilemmas in organizational design. They argued that balancing the tensions among each of these competing values create an effective organization.

However, none of these models captures the total meaning of effectiveness. There is little consensus over what constitutes a valid set of effectiveness criteria (Smith, 1997). Khandwalla (1985) observes that with so many criteria like achievement of goals, viability as a system, satisfaction of stockholders and contributing to socio-economic development of the society at the organizational level, the criteria at the individual level like absenteeism, employee turnover, motivation etc., it is unlikely that organizational effectiveness could be reduced to a single measure of indicator.

Organizational effectiveness is generally regarded as a dependent variable - an outcome of organization's contextual, structural, strategic, and process variables (Smith, 1997). Hence it is desirable to assess the relationship between multiple determinants and multiple criteria of effectiveness simultaneously. Steers (1977) suggests that multivariate measures or techniques have distinct advantage over univariate measures in that they generally represent attempts to study in a more comprehensive fashion the major sets of variables involved in the effectiveness construct. Mckinsey (Bhattacharya, 1989) developed a holistic model called Mckinsey 7-S model which emphasizes on the relationship and balance between

structure, strategy, systems, styles, skills, staff and super ordinate goals. With reference to the Indian organizations Jain (2001) conducted across industry, countrywide research titled Corporate Excellence which resulted in new dynamic 10 – P framework like people, political skills, purpose, productivity, partnership, plans, positioning, processes, performances and perspectives which went beyond the basic of the 7-S framework. Then there is the '3Es' framework measuring only non-financial measures like:

- Efficiency- concerned with the utilization of equipment and the efficiency of the workforce
- Economy- concerned with the optimum use of resources and
- Effectiveness—concerned with the achievement of outcomes.

This classification is particularly helpful in facilitating the generation of a host of suitable non-financial indicators. However in doing so it fails in the quest of organizational effectiveness in three important areas given below:

- It does not help in the measurement of qualitative non – financials
- It provides no indication of the variable weighting which would allow an integrated overall measure to be formulated and
- Its focus is undeniably internal, in circumstances where it is required to measure which also reflects competitiveness and external conditions.

The balanced scorecard provides an alternative that offers improvements. Kaplan and Norton (Smith, 1997) introduced a multivariate approach in a series of articles, which demands that the business be perceived both internally and externally. They suggest that the organizational effectiveness should be looked at from four perspectives that is:

- Financial- how do we look at the shareholder
- Customer-how does he perceive us
- Internal—identify areas that needs to excel
- Innovation and learning—how do we continue to improve and create value

A number of performance measures are generated to reflect each of these four perspectives. Smith (1997) identifies fifteen measures like cash flow; sales growth; market share; on time delivery; sales from new products; technological ranking; cycle time; unit cost; yield; productivity; time to develop; time to market; process time; product focus. Much of this information regarding these above mentioned measures is either already collected by the organization or it can be available from internal sources. The remaining information can be collected from customer surveys, benchmarking exercises and inter company comparisons.

Performance measures of this kind advanced in the scorecard is a possible means of overcoming short-termism, but it still gives us no clear indication of a weighting system that would enable the four perspectives to be combined in a satisfactory manner to yield organizational effectiveness. The question of comparability also remains unclear, because different market situations, product strategies and competitive environments will all require different scorecards (Smith, 1997).

Albeit the use of multiple evaluation criteria adds breath to any assessment attempt, it simultaneously opens the door to conflicting demands that management may not be able to satisfy. Some researchers such as Steers (1975); Cameron (1978); Cameron (1981); and Campbell (1973), found that the multiple criteria often conflict with each other adding to the confusion and chaos.

Despite the efforts of theorists from a variety of fields to define and measure organizational effectiveness, a theory of organizational effectiveness, which is universally applicable across organizations, has failed to emerge. According to Campbell (Hall,1991), there is no point in evaluating organizations either as effective or ineffective. This approach agrees with the urgings of Hannan and Freeman (Hall, 1991) that effectiveness may be used as a scientific concept. What leads to organizational effectiveness in one organization may not necessarily have validity in another organization's context, given its unique market, technology, competition related context and its values, styles and beliefs, or within an organization itself, it can be effective in some aspects of its myriad operations that it performs and less so in others. Further corroborating the views of Hannan & Freeman, Kamlesh Jain (1996) opines that organizational effectiveness is a construct rather than a concept.

“Effectiveness is a paradox, with both consensus and conflict in various conceptions of effectiveness Cameron (Jain, 1996). It is well recognized that people belonging to the same organization can have contrasting and conflicting views about its

effectiveness. According to Cameron and Whetten (Jain, 1996) Quinn and Cameron (Jain, 1996) and Miles and Cameron (Jain, 1996), an organization passes through various cycles of growth namely (a) entrepreneurial, (b) high growth, (c) matured growth, and the criteria used in evaluating an organization's success at one stage of development may change dramatically at another stage of development. Under good economic conditions, the effectiveness of a business organization can be related to the level of capital investment. On the contrary, under poor economic conditions, capital liquidity can be the relevant criteria for the same and the high capital investment may change from an asset to a liability. Under these circumstances, such a criterion does not clearly represent a stable indicator of effectiveness.

Friedlander and Pickle (Verma and Jain, 1996), provide empirical support in their study that organizations found it difficult to fulfill simultaneously, the variety of demands made upon them. A no lay-off policy, for instance, may potentially fulfill employee needs, but might do at the cost of diminishing fulfillment of other social components. Miles and Cameron (Jain, 1996) further state that organizations can pursue one set of criteria in one domain of activities and a different, and possibly contradictory set of criteria, in another domain of activities. Cameron (Jain, 1996) found that even if the domains being assessed are identified, no organization can be effective in all its domains. The results are corroborated by the findings of a subsequent study by Cameron and Whetten (Jain, 1996).

Thus, the conflict that surrounds effectiveness leads to the realization that agreement about effectiveness is mainly an agreement to disagree. It can be said that the best criteria for assessing effectiveness are unknown and that effectiveness is a divergent problem, not easily quantifiable or verifiable and seems not to have a single solution. The more rigorously and precisely they are studied, the more the solutions tend to diverge. However, whatever the criteria for organizational effectiveness are adopted, the organizational analysis is incomplete unless the factors underlying effectiveness are identified. In general, various factors, which influence effectiveness, may be a source of ineffectiveness if not handled properly. More specifically, there are some factors, which cause ineffectiveness like failure of managers to act when they need to; delay in taking actions; taking the wrong actions; lack of sufficient efforts; excessive efforts in relation to the need and wasted efforts.

These factors are controlled by managerial efforts in right direction. However, for effectiveness it is not sufficient that an organization is efficient which is mainly an internal condition; it should also interact properly with the environment. Schein (1991) has suggested that an organization can do this through the adaptive coping cycle,

which consists of various activities, which enable the organization to cope with the dynamics of environment and these are sensing of change, imparting the relevant information, changing conversion process, stabilizing internal changes, exporting new outputs, and obtaining feedback. For successful coping, the organization requires communication system through which reliable and valid information may be passed.

#### **1.4 Significance of the Study**

India was late in entering the industrial age. In a purely agrarian system which was prevalent in India until well past the middle of the twentieth century the work force was widely dispersed. As against this the work force in an organised industrial system operates within limited confines. The interaction between supervisors and workers, between higher level managers and other employees and between the top level policy making management and the rest of the employees becomes more regular and closer. The west including USA and Japan, have had long years of industrialization behind them resulting in growth of organizations of varying sizes, operating nationally and internationally. Therefore, much of the research and resulting literature seeking to improve the efficiency and effectiveness of organizations, increasingly prompted by international (and now global) competition, has come from USA, Europe and Japan.

It was only during the late nineteen sixties that the significance of Communication for the efficiency and effectiveness of Organizations started to be recognized in India. With liberalization of Indian economy, the pressures exerted by WTO and GATTs and consequently increasing global presence of India in the international economic system and of non-Indian companies becoming players in the Indian economy, the importance to ensure optimal efficiency and effectiveness of the various sectors of Indian economy became manifest.

Economic reforms, which have led to liberalization and globalization of Indian economy, have unleashed flood gates of consequential changes. One of the visible affect is the dramatic change in the composition of its workforce. Women and minorities, young and elderly, individuals with different professional, cultural, and religious affiliations, constitute the workforce today. This change in the composition

of the work force is likely to be unidirectional, as more and more business is conducted in multicultural societies across the global village.

Secondly, the Indian culture is hierarchical and has a distance power culture. (Robert et al., 2000) Top-down decision making is the norm, and more often than not there is only a downward flow of information in an organization. Subordinates will rarely, if ever, disagree with their superiors, even though they may disagree with the nature of the decision or the manner of its implementation. However, the system of hierarchy which is very strong in the Indian culture finds itself being challenged by the notion of collaborative and team based organizations. The command-and-control style of traditional management structures are questioned by the new generation of employees who are increasingly becoming more demanding, expecting to be respected and valued as individuals in the workplace and is quite vocal about it. They refuse to follow the conventional employer – employee hierarchy; they are more likely to question the higher authorities in the organizations. They like open communication with their managers, want to make their own decisions, want to share their ideas and their enthusiasm, and not just be told what to do. (Schaefer, 1993; Offerman and Gowing, 1990; Loden and Rosner, 1991; Dean and Snell, 1991).

These cataclysmic changes have put organisations under tremendous pressure calling, among other things, to employ people: (a) who can best communicate in cross-cultural environment, and (b) reduce barriers to communication which impede the understanding of end-to-end workflow and better performance on strategic goals.

However, a corollary is that important issues involving information transmission from those without managerial power to those with such power have been insufficiently explored by the Indian scholars. In fact, communication as a research has raised its profile only recently. (Prasad, 2005). Thus there is need to study the role of communication effectiveness across Organizations and how it contributes towards organizational effectiveness

Over the past few years India has become one of the fastest growing economies .

Indian automobile sector is one of the major sectors of Indian economy which has grown rapidly over the last decade or so, which is considered for this study as a data input. The strong growth of the Indian automobile industry is backed by a vibrant auto component sector in India manufacturing the entire range of components required for various types of vehicles, with engine parts, drive transmission and steering systems accounting for half of the total output [23, 62]. The Indian Government, the Society of Indian Automobile Manufacturers (SIAM), and the Auto Components Manufacturers Association (ACMA) are highly optimistic about the future and the growth potential of the automobile and automobile components industry [60].

Automotive Industry in India has shown tremendous growth since 1991. The automobile sector comprises of all vehicles, including 2-3 wheelers, passenger cars and multi-utility vehicles, light and heavy commercial vehicles, and the allied engineering sector comprises largely of the auto components sector. The Automobile and allied Engineering Industry may alternatively be termed the Automotive Industry.

For nearly three decades after independence, the Indian Automobile Industry comprised of only two automobile companies Hindustan Motor and Fiat. The industry was licensed, highly regulated and government controlled during this period. The early 1980s saw the entry of a new player Maruti Suzuki in a joint venture of Suzuki Motor Corporation Japan and the Government of India.

The early 1990s witnessed several reforms initiated by the Indian Government aimed at encouraging private and foreign investment through delicensing, govt. decontrol and deregulation of various sectors of the economy. In June 1993, a new automobile policy was formulated allowing foreign investment in the automobile sector, abolition of licenses and a reduction in duties across the board to enable the sector to become globally competitive. This resulted in a strong growth of the Indian Automotive Industry. Several new players like General Motors, Ford, Hyundai, Honda and several others entered the Indian auto market.

The data obtained from Society for Indian Automobile Manufacturers (SIAM, 2005) showed high growth in the production of total vehicles that increased from 4.2 million in 1998-99 to 7.3 million in 2003-04. In the financial year 1998-99 the Automobile Industry recorded a growth of 16.6%, 2001-02, 13% over financial year 2000-2001. Overall automobile sectors bagged a growth of 15.12% in 2003-04 year and in the year 2004-05 the industry registered a growth rate of 15.06 %. The contribution of the automotive industry to GDP has risen from 2.77% in 1992-93 to 4% in 2003-04.

The Automobile Industry performance in the year 2004-05 showed encouraging results for all segments of the automobile industry. The passenger vehicles and utility vehicles posted a growth of 18% and 20% respectively in the year 2004-05 over the year 2003-04, while MPVs have grown at the rate of over 9%. The commercial vehicle segment clocked a growth rate of 22% M & Heavy Commercial Vehicles segment has grown by 23% whereas Light Commercial Vehicles grew by over 21%. The performance of the automobile industry in exports is also encouraging. Commercial vehicles exports increased to an all time high of touching 30, 000 growing at a rate of 72%. Passenger vehicle exports grew by 29% to 166, 413 units. The two wheelers also crossed three hundred thousands mark for the first time clocking around 366, 724 numbers and recorded a growth rate of plus 38% over the 2003-04 (Automobile Industry Statistics of India by Automobile Association of India, 2006). With increased production and capacity creation in the passenger sector, foreign countries may use India as an export hub.

Surge in automobile industry since the nineties has led to robust growth of the auto component sector in the country. Responding to emerging scenario, Indian auto component sector has shown great advances in recent years in terms of growth, spread, absorption of newer technologies and flexibility, despite multiplicity of technology platforms and low volumes. India's reasonably priced skilled workforce, large population of technology workers coupled with strengths gained by the country in IT and electronics all build up an environment for significant leap in component industry.

The evolution of the Indian Auto ancillary industry can be traced through three distinct phases, each marked by substantive developments.

**Phase-I (1980s)** Prior to the 1980s, the auto ancillary industry has been primarily dominated by the unorganized, low technology small-scale sector. The setting up of Maruti Suzuki in 1983 generated a need for high quality, reliable auto components that met the stringent emission standards set for Maruti cars. This led to the entry of several Japanese auto component majors like Sumitomo, Sona Koyo and Denso.

**Phase-II (1990s).** The auto component industry in India witnessed a transformation in the 1990s to high technology quality conscious industry catering to the requirements of the growing domestic automobile industry. Large players like Delphi, Robert Bosch etc. entered the market to tap the huge potential created by the strong domestic and export demands.

**Phase-III (2000 onwards).** The period has seen the emergence of two trends in the industry namely globalization of Indian Industries and outsourcing. Several leading India companies have acquired International auto component companies as part of the strategy to expand their markets globally and acquire new technology. Also global auto component companies like Delphi, Visteon, Cummins etc. consider India their manufacturing as well as research base and are sourcing components from India for their global production. India is emerging as one of the key auto components center in Asia and expected to play a significant role in the global automotive supply chain in the near future.

The Indian auto component industry produces a comprehensive range of components, which include engine parts, drive transmission and steering parts, suspension and braking parts, electrical parts, equipment and other parts. India auto component industry is wide (over 420 firms in the organized sector producing practically all components and more than 10, 000 firms in small unorganized sector, in tierized format) and has been one of the fastest growing segments of Indian automotive industry, growing by over 28%, in nominal terms, between 1995-98, in the year 2003-04, the sector has recorded a growth of 25.06% by recording a production of the order of Rs. 30, 640 crore as reported by Automotive Component Manufacturers Association (ACMA, 2005) During the year 2004-05, the output of the Auto Component Industry was around Rs. 36, 300 crore, The vital statistics of the component sector during 2002-03 and 2003-04 are as under:

**Table 1.1 The vital statistics of the component sector during 2002-03 and 2003-04**

<b>Indicators</b>	<b>2002-03</b>	<b>2003-04</b>
Investment	Rs. 12, 500 crore	Rs. 13, 400 crore
Output	Rs. 24, 500 crore	Rs. 30, 640 crore
Exports	Rs. 3, 800 crore	Rs. 4, 550 crore
Employment	5, 00, 000 persons	5, 00, 000 persons

On export front, auto component industry registered a growth of 29% in the year 2003-04 and 30% in the year 2004-05. The industry has been making rapid strides towards achievement of world-class Quality systems by imbibing ISO 900/ISO 14001/QS 9000/TS 16949 Quality Systems. The Indian auto component sector is being written up as the next industry after software, that has the potential of

becoming globally competitive. There exists still a vast scope for the development of automotive industry in the country.

Since there is shift-taking place in the Indian economy and the environment is becoming more competitive, corporate India itself is ill prepared to face the challenges posed by this “this is a case of corporate domestic pygmies versus lean and mean international giants” (Khandwala, 2001). To survive and grow in such a hyper competitive environment “Indian firms need to change their strategic posture” (Kaul, 2000). As more and more organizations begin to operate internationally, their members face the need to become skillful in relationships that involve cross-cultural communication. \*In order to have more successful cross-cultural interactions, it is important to become more culturally literate i.e to identify basic core values of all cultures to provide a general understanding that we might apply to specific cultures .All culture have a way of organizing their time, space, social relationships, power, and reactions to uncertainty. (O’Rourke, 2008), Geert Hofstede(1997) identified five dimensions that describe how the national culture is organized:

- collectivism \ individualism
- uncertainty \avoidance
- long term\ short term orientation
- power distance
- masculinity\femininity

Later, Edward T.Hall (1990) added the concepts of polychromic and monochromic time to these dimensions.. Intercultural relations are important even within domestic organizational units, where culturally diverse workforces are becoming commonplace. In fact, Javidan and House(2001) have highlighted in their study the impact of culture on the leadership practices. This merging of differing organizational cultures, like people from the high context culture confronting people from low context culture of different habits, values, and terminology, with the need to collaborate, increase our need to understand communication and how to make it more effective.

Therefore, it is time research studies are undertaken to determine in the Indian context, and within the context of our culture moorings, the culture of organizational effectiveness, taking into consideration therein the significance of communication which is key to the functioning of organizations. Given that the environment has changed, which in turn affects the employee communications effort, ways need to be explored for companies to organize the function so that it can support the overall mission of the firm. There is substantial evidence that the effective communication contributes significantly toward the effectiveness of an organization. Communication within organization could act as both catalyst and obstacles to change and

which could encourage and inhibit organizational performance. Hence present study was taken to measure perceived effectiveness of organizational communication in relation to organizational effectiveness from the perspectives of personnel at three management levels in the Indian Automotive Industry.

### **1.5 Statement of the Problem**

The present study is an attempt to study the effectiveness of organizational communication with respect to its dimensions namely downward, upward and horizontal communication as perceived by the personnel working at three management levels in relation to organizational effectiveness. Thus a study entitled “A Study of Communication Effectiveness in Relation to Organizational Effectiveness in Automotive industry” was undertaken.

### **1.6 Objectives of the Study**

The objectives of the study were:

- To determine the nature of perceived effectiveness of organizational communication with respect to its three dimensions namely downward, upward and horizontal communication in the automotive industry of Punjab and Haryana.
- To identify barriers to perceived effectiveness of organizational communication in automotive industry of Punjab and Haryana
- To study the relationship between perceived organizational communication with respect to its dimensions namely downward, upward, and horizontal communication and organizational effectiveness in automotive industry as perceived by personnel at three management levels.
- To study the differences between extreme groups on perceived effectiveness of organizational (top and bottom 27%) on perceived effectiveness of Organizational communication and its dimensions namely downward, upward and horizontal communication in automotive industry of Punjab and Haryana.
- To study the differences in the perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward, and horizontal communication in automotive industry of Punjab and Haryana states.
- To study the differences among the personnel at three management levels (Top, middle, and lower) regarding perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward, and horizontal communication in automotive industry.

- To study the interactional effect of state and management levels on perceived effectiveness of organizational communication and its dimensions namely downward, upward, and horizontal communication in the automotive industry.

### **1.7 Delimitations of the Study**

Following were the delimitations of the study:

- The sample for the study was limited to only three management levels in six large scale automotive firms, three each in Panjab and Haryana
- The study was restricted to only two states namely Panjab and Haryana, thus the findings of the study will be generalized in only these two states.
- The study focused only on the internal operational communication excluding external operational communication.
- Only large scale automotive industry has been studied.

### **Organization of the Chapters in the Report**

*A brief outline of each chapter is as follows:*

The first chapter of the report provides theoretical framework on communication effectiveness, organizational effectiveness, the significance of the problem and the objectives and delimitations of the study.

The second chapter provides review of the related literature on organizational communication which is further discussed under three headings namely (a) role of communication during crisis, (b) nature of communication, (c) modes of communication. Also a survey of related literature on organizational effectiveness is provided and discussed under three different groups like (a) development of model of organizational effectiveness evolving criteria for measuring organizational effectiveness, (b) factors affecting organizational effectiveness (c) a comparative studies of different types of organizations or perceptions of people working at different organizational levels like managers or skilled workers on organizational effectiveness. The second chapter also includes research studies that have explored effect, role or the relationship between organizational communication and organizational effectiveness. At the end of the chapter two, hypotheses for the study emerging from the research studies have been stated.

The third chapter deals with methods and procedures adopted for undertaking the study. It gives the details of research design, sample, tools used, data collection and the statistical techniques used.

The fourth chapter deals with analysis and interpretation of results under the main five headings namely (a) nature of distribution of scores, (b) nature of communication in Automotive Industry, (c) relationship between effectiveness of organizational communication and organizational effectiveness, (d) extreme group comparison and (e)  $2 \times 3$  Analysis of Variance.

Fifth chapter contains summary, major conclusions and suggestions. Suggestions for further research are also provided in this chapter for improving organizational communication in automotive industry.

References and annexure-1 are given at the end of the report.



## CHAPTER 2

### REVIEW OF RELATED LITERATURE ON ORGANIZATIONAL COMMUNICATION AND ORGANIZATIONAL EFFECTIVENESS

#### 2.2. Introduction

This chapter presents a selective review of the literature on organizational communication and organizational effectiveness drawn from journals, books and from Internet. The objectives were to identify the nature of studies undertaken in the area of organizational communication and organizational effectiveness and the methodology and tools used and also the trends of findings. The chapter is divided in two parts. The first part deals with the studies on organizational communication, and the second part relates to the studies on organizational effectiveness.

#### 2.6 Review of Related Literature on Organizational Communication:

Research on organizational communication is a recent phenomenon. Earlier” the vast literature on communication includes a variety of theoretical and speculative articles as well as reports of experiences of particular organizations. In this field, however, there is a dearth of sound, adequately planned, and carefully designed research” (Sexton, 1959). Though according to Drucker (1970) “Communication in management has been the central concern of students and practitioners in all institutions. - business, the military, public administration, hospital administration, and research administration. In no other area have intelligent men and women worked harder or with greater dedication than psychologists, human relating experts, managers, and management have worked on improving communication skills in our major institutions..... But however, despite the quantum of studies on communication, the field is still not well understood. Communication has proved as elusive as the unicorn.” Price and Muller(Hall,1991) noted that measurement of communication was a neglected topic. It was greatly patronized by other disciplines and treated as a sub-discipline.

Through the 1960s, 1970s, and 1980s, the research in the area expanded greatly in parallel with several other academic disciplines, looking at communication as more than an acceptance of mechanistic model to a study of the persistent, hegemonic and taken-for-granted ways in which we not only use communication to accomplish certain tasks within organizational settings but also how the organization in which we participate affect us (Redding, 1985). Endorsing the views of Redding (1985), Allen George (Mouly,1993)) in his bibliographic study on R&D management, tried to identify trends of interest in the field of management and technology over the last two decades. Organizational communication was identified as one of the five primary topics that have been studied in the literature. Lately,

entrepreneurs, professional managers and business research have paid a great deal of attention to the issue of communication. A recurring theme of communication in various studies indicate the widespread interest in this topic, especially, during the past two decades a lot of research has been conducted in the field of organizational communication in the West and America, focusing on diverse issues related to communication. Modern literature on management and organizational behaviour as well as human resource management abound in studies on organizational communication. However, research on organizational communication in India is still at its earlier stage. Various studies conducted on organizational communication do not adequately represent the entire Indian Organizations. (Prasad, 2005).

Communication is generally perceived as a variable, which either affects or is affected by other variables considered important in understanding the organizational life. It is found that most of the studies on communication link it with other organizational variables. Only a few researchers have focused on the ongoing interactions between members of an organization in order to understand its communication practices (Mouly, 1993).

Review of literature on organizational communication has been discussed under following headings.

- Nature of organizational Communication
- Modes of Communication
- Role of Communication in Crisis

Studies highlight the nature of communication in the organizations, modes of communication used to transfer information and the impact of the channels or the media and role of the communication during organizational crisis. Studies have focused on various aspects of organizational communication including communication behaviour of managers, communication relationships, and motives for communicating with seniors, the influence of the content, direction and source of information on perceptions, ethics, communication and the role of informal communication in an organization.

### **2.6.1 Nature of Communication**

Brenner and Segband (1973) in their research on the communication practices of a major aerospace firm, which was in the process of evaluating its management development programme, indicating its concern with the quality of the company's communications, held an interview survey of executives, and a questionnaire survey of approximately 700 managers. Findings revealed that managers had all the information they required compared to supervisor

or non-supervisory personnel when communication flew down in a vertical channel as it was filtered at each level. And in case of lateral communication, managers and non-supervisors secured timely information as compared to supervisors as the former carried more clout. The findings also showed that the subordinates who were given assignments, clear job instructions, and an easy access to their superior gave supervisors better feedback. And those who received direct assignments from their immediate supervisors felt they were better informed, had more time to complete assignments.

A study by Athanassiades (1973) investigated relationships between distortion of upward communication and needs of subordinates and aspects of organizational climate. Two samples of thirty each were taken, one from a school within a large statewide university system characterized by relatively autonomous authority structure, and the other sample consisted of petrol men in the police department-and heteronymous organization. Findings of the study showed that distortion of upward communication was negatively related to level of security and positively related to achievement needs; also positively related to heteronymous organizational climate and negatively related to an autonomous climate.

The purpose of the study by Roberts and O'Reilly (1979) was to examine a set of variables possibly associated with the communication roles (isolates or participative) people occupy at work. A total of six discriminant function analysis were computed, three substantive networks (expertise, social and formal authority) for demographic and intrinsic characteristics and for response variables (satisfaction and perceived commitment). The results indicated that it was possible to differentiate individuals who occupied different communication roles on the basis of sets of intrinsic and response variable. Also some differences in communication role occupancy were similar across content-based networks. Isolates, who were not integrated into organizational networks, would deliberately withhold information in the expertise networks and showed low satisfaction with communication in general. They expressed greater tendency to use written and telephone modalities in social networks, (suggesting they might have communication links with outside the organization). Since they were characterized by less internal organizational communication than participants who reported greater communication activity and information redundancy inside the organization. Participants were found to be more satisfied with jobs, more committed to their organization, and higher performance. Alternately communication isolation was associated with negative affective and performance characteristics

Wanguri (1984) investigated managerial perceptions of downward task-relevant confidential information disclosure in the workplace by surveying 145 first and middle level managers from 19 public sector agencies in a southwestern state. The study investigated types of

confidential job-related information, target persons, media, reasons, and settings for such information sharing; number of participants in these encounters; frequencies with which such disclosures occur, and the extent to which managers regret having given confidential task relevant information to their subordinates. In addition, this study involved the ordering of confidential information according to which types the managers reported they were most and least likely to share etc. Analysis of the data (based on rank ordering of Likelihood of giving various types of Confidential Task-Relevant Information to subordinates) indicated that managers were most likely to forecast information regarding structural changes within the organization; they are least likely to discuss peer-related information. Also, in descending frequency, managers indicated they would most likely disclose this information in order to motivate the subordinate, to develop team spirit, to provide information when there was 'need-to-know', and to solicit subordinate input. Although considerable variance was observed in the actual reasons cited for such disclosures, these disclosures in the form of discreet and consistent communicative openness in the workplace seemed to be primarily designed to enhance superior-subordinate relationships

Exploring the identifiable dimensions of interpersonal communication between supervisor and subordinates and the relationships between those dimensions and two aspects of leadership, Penley and Hawkins (1985) collected the data from 122 personnel and support services areas of a large southern insurance company. Five content and behavior-oriented scales were developed to measure interpersonal communication function between supervisors and subordinates. The relationship between the five scales and ten leadership dimensions was also evaluated. The results showed that interpersonal communication between supervisors and subordinates was both relational and content-oriented. Although supervisors might consider their primary communication goals as informational or content-oriented, it was clear that relational messages were also important. Perceived consideration behaviour of the leader was associated with the relational level of communication. Even the leadership function of reducing uncertainty via initiating structure was associated with the relational level of communication. The relational level of communication, characterized by communication responsiveness, was of less importance in distinguishing high initiators of structures from low initiators of structures than was the content level of communication. The study thus integrates communication with an important aspect of organizational behavior-leadership.

The objectives of the study by Kirmeyer (1987), were (a) to determine the extent to which overt behavior predicted perceptions of social support and (b) to examine the simultaneous influence of the source, direction and content of interactions on perceptions. Participants were sixty police officers and civilian radio dispatchers from

the personnel rosters of twelve police stations. Findings demonstrated that the perception of social support was linked to actual face-to-face interaction in the work place and the interaction patterns alter or were altered by the perceptions of interpersonal supportiveness. With regards to directionality of information flow it was found that vertical and lateral communications were each related to supportiveness, but in opposite direction. The category of communication that most enhanced or was enhanced by the perceived inter-personal atmosphere at work was subordinate initiated, one to one interaction with superiors about job responsibilities. Both, technical conversations on job responsibilities and conversations on topics like office politics, family problems were significantly associated with perceived social support-but communication not focused on work was significantly related to support only when peers initiated it. Moreover, the relationships between non-work communication and social support depended on conversational length, indicating the degree of intimacy between the interactants.

In an exploratory research by Roy (1990), a total of hundred subjects working in management and senior supervisory cadres drawn from various functional units of one oil refinery, were taken to study different parameters of communication like trend of information flow, focal person's communication style and credibility and interpersonal relations. The study found that since the refinery where the study was conducted was typically an example of classical organization where communication was only a formalized system for relaying commands or instructions in a downward direction from managers to subordinates with no concern for upward feedback. Discrepancy between claimed transmissions and reception was evident at all the levels Significant intra level variability with regard to amount of information to be given to subordinates, signified lack of intra group cohesiveness and the tendency to hold back information in some people None of the groups received very high ratings from their subordinates about their credibility and communication style. Furthermore, senior officers were rated as highly formal, less informative, and not enough dynamic as communicators Data on interpersonal relations between people of different levels indicated significant incompatibility, which according to the researcher could be the reason for perceiving others as poor and ineffective communicators. In short lack of informal environment and existence of certain structural rigidity was affecting the communication system. Interpersonal distance between people and lack of concern for open sharing of information affected the smooth information flow between levels.

Scholars note that the most frequent conflicts in business ethics today center around issue of honesty in Communication (Shaw & Barry, 1992). The ethical component of professional communication is widely acknowledged by various scholars. The subject of the ethics of whistle blowing, in the research is a recent phenomenon.

The study by Barnett (1992), examined the relationship between selected organizational capitalistic and the perceived level of external whistle blowing by employees in 242 organizations. Data collected in a nation wide survey of Human Resource Executives were analyzed using analysis of variance. Results indicated that executives of large organizations perceived a higher level of employees-voiced concerns to the Equal Employment Opportunity Commission (CEEEOC) and Occupational Safety and Health Administration, as well as a higher overall level of external whistle blowing. Executives of organizations with union employees perceived a higher level of employee voiced concerns to the EEOC, the media and a higher overall level of external whistle blowing. Executives of organizations in manufacturing industry group perceived a higher level of employee voiced concerns to the Occupational Safety and Health Administration

The purpose of the study by King III (1997) was to examine whistle blowing from a communication perspective, by focusing on two potentially interacting variables, relational closeness and severity of the wrongdoing. Hypothesizing that (a) severity of the wrongdoing will be positively related to the likelihood of reporting the wrong doing through internal channels and (b) the inter-personal closeness between the observer and the wrong doer will be related to the likelihood of reporting a wrong doing through inter channels. A field study was conducted using registered 261 nurses from a non-profit hospital. Nurses were preferred to other employees due to their strong professional norms, loyalty and clear channels for reporting unethical behavior. The results indicated relational closeness between an observer and wrongdoer that influenced the decision to report wrongdoing. The results further indicated that severity of the wrong doing influences whether or not an incident is reported. It also showed that respondents would report a friend only if the wrongdoing was serious. Respondents also indicated they would report the wrong doing to their immediate supervisors than to the administrators. Finally, the registered nurses were not fearful of organizational or coworker retaliation that might result from reporting the wrongdoing. This indicates that the more supportive the organizational climate the more confidence the managers had that if wrong doing was reported, organizational reprisals would be less likely to occur.

Ghoshal et.al (1994) investigated some of the organizational factors that influence industry-headquarters and inter-subsidiary communication in multinational companies. Data were collected from 164 senior managers working in 14 different national subsidiaries within the

consumer electronics divisions of Matsushita, a Japanese company and 84 senior managers working in nine different national subsidiaries with in the same business of N.V. Philips, the Holland-based competitor of Matsushita. Findings of the study indicated that interpersonal relationships developed through lateral networking mechanisms such as joint work in teams, taskforces, and meetings had significant positive effects on the frequency of both subsidiary-headquarters and inter subsidiary communication.

Anderson (1995) tried to relate communication motives for communicating with superiors and co-workers with employee's satisfaction with superiors and jobs, as well as commitment. This study's findings provide evidence that non-task oriented communication motives serve a valuable function in organizations. Employees, who communicate with their superiors for pleasure and not just to bide time (escape) reported high satisfaction with those superiors. In fact, the relationship between motives with superior satisfaction shows the importance of communication in satisfying needs in this superior/subordinate dyad. In this study, employees appear "cognitively and behaviorally" a part of their organizations. Their motives for communicating extend beyond the relationship to influence satisfaction with their job and a commitment to their companies. When it comes to motives for communicating with co-workers, employees' needs differ. Employees communicate for closeness and intimacy (affection), which motives relate to job happiness, commitment, and satisfaction with bosses.

An ethnographic study by Guptan (1997) of Indian business organizations revealed that the relationship in communication that spread beyond the functional interaction provided a context for interaction which could be identified as one-off relationships, sustained-functional communication relationship, sustained traditional communication relationships, sustained non-traditional social communication relationships depending upon the different levels of involvement. These different levels of communication were not mutually exclusive, they may mesh into a matrix communication relationship with interaction between the people involved swinging from one to another as they related in communication. Further the study found that the professed communication relationships and the flow of communication was largely formal and function bound but the actual communication relationships that existed were very strongly informal and, in many cases, going beyond the recognized channels of the grapevine. Regarding traditionalism and communication in Indian organizations, there were different types and levels of communication relationships operating in organizations, depending on the intensity of involvement and the nature and bases of the interaction in the relationships. At the macro level in the organizations, traditionalism did not appear to play much of a significant role although not absent in the consciousness of the people. On the other hand, at the micro level, traditionalism played a major role in modulating the formation, maintenance and

working of communication relationships between people. In terms of the ownership of organizations, the presence of traditionalism was variant only in a matter of degrees. While the multinational organization appeared to have less gaps between the professed communication relationships and the actual ones, the largest hiatus appeared to be in the case of government-owned public sector organizations. The family-owned private organizations were more overt in their expectations of traditionalism in their organizations and the use of it in their management and relationships.

Crampton et.al (1998) attempted to ascertain the extent to which managers were aware of (a) the condition associated with grapevine activity; (b) condition influencing when grapevine communication important to employees, (c) how the organizational climate and environment affect grapevine activity. A 53 items questionnaire was developed to assess managers' perceptions of grapevine activity in the following areas: (d) Intensity and importance to the employees (e) ambiguity and lack of clarity to employees and (f) an insecure and threatening environment (g) lack of trust among employees towards formal communications and the same was mailed to a random sample of 416 public and private organizations with at least 50 employees drawn from top management, middle management, and lower management and supervisors. The study found that managers' positions within the organizations affected their perceptions of grapevine activity. The lower level managers' were more aware of conditions associated with grapevine activity and were also more likely to be involved with influencing how the grapevine functioned. Further the study highlighted that there was general consensus among managers that negative organizational conditions, such as lack of trust, seemed to encourage more grapevine activity in the absence of policies and procedures. Within the organizations surveyed reflected lack of attention to grapevine activity by the management and hence it was felt by the sample that the organizations should be doing more to keep their employees informed, with focus both on negative organizational conditions and formal organizational policies and procedures to deal with it.

The research by Gilsdorf (1998) explored how employees perceived and articulated organizational rules in describing specific communication problem incidents. The research elicited and analyzed 560 short narratives from MBA students describing an actual on-the-job communication problem caused by another organization member's weak understanding of how they communicate there. The analysis of the data showed that the organizations must work hard to ensure that employees knew pretty well how management wanted people to communicate in the organizations. There should be a clear cut policy stating communication expectations of the management and which should be conveyed to employees preferably through written means than

the unwritten means and this can help head off twenty percent of the communication problems.

Susan (1999) in her study focused on the role of communication in a dispersed organization and explored its relationship to and impact upon the control, mediation, dissemination, and change of organization meaning over time. Data were collected during an ethnographic study of Ivy Ventures, a dispersed, entrepreneurial organization, and its sub-organizations. A theoretical framework was then developed using grounded theory building and a procedure developed by Dapkus (1985), in which data units were merged into broader thematic categories until a single theme emerged. Validation of the resulting categorization scheme and theoretical framework was achieved by involvement of informants and an independent judging panel in coding and analyzing data, which was then integrated into the study's text. The resulting portrait of structures, processes, and communication within Ivy Ventures depicted an organization that was chaotic, disorderly and inefficient, but also effective and highly adaptive, which traditional theories would be ill suited to explain

Lu-&-Xin-An (2000), examined an under researched phenomenon in organizational communication that is "public secrets". This was a phenomenon in which people expressed their genuine feelings, understandings and knowledge about their organization in one context (e.g. informally with family friend and colleagues), but not in another context (e.g., formally at public conferences or with administrators). The subject organization for this study was a large public research institution in the Midwest. A survey instrument was designed to solicit respondents' perception of possible causes and consequences of public secrets, topics involved in public secrets, and strategies to alleviate the phenomenon of public secretes. Results from the study revealed that the communication phenomenon of public secrete did exist in the organizational setting, and that in the case of the subject organization, this phenomenon existed among the majority of organizational members. The findings demonstrated that "lack of interaction opportunities with administration" and "suggestions ignored" were among the top causes of public secrets which led to "bad communication climate" and "low morale. Topics that were most often avoided in public formal discussion were "Colleague performance" and "administration practices". Most effective strategies to alleviate the phenomenon of public secrets included "acknowledging suggestions with action" and "discussion of un-discussable initiated by administration". Regarding respondent's practice of public secrete, no significant differences were found between different groups in terms of sex, tenure, year of work experience, salary range.

Scarlata, (2001) identified the differences in perception of the employee's managers, and demographic groups about the organizational values of honesty, integrity, respect, trust responsibility, and the responses to selected information flow issues. A descriptive survey research was used. A questionnaire was distributed to the targeted population (2,778 employees and managers) of the Study Company. This research demonstrated that only some of the Study Company's communication processes were effective. Although some common perceptions existed within the organization, a large amount of misunderstanding and lack of trust was prevalent within all employees' levels.

Of the three traditional perspectives to study organizational communication; namely critical (focuses on the organization as a site of distorted communication), interpretive (see the organization as a product of communication); and self-organizing (view the organization and communication as co-product), Carlon (2001) had chosen third perspective as a part of self-organizing system, how did organizational communicators chose their communication methods and what were the qualities necessary in these methods for effective, efficient and productive communication. The study proposed and demonstrated that there were two fundamental communication methods; established communication method that refers to formal methods that often follow well-established hierarchies. And the evolutionary methods that can be seen as informal communication methods that communicators develop and redevelop, as communication needs change. This method is not predesignated by the organization rather it is evolved on the spur of the moment. The study further proposed and demonstrated that the organizations success was dependent upon both the choice of correct communication methods and its productivity required quality relationships. The study found that the communication productivity was strongly correlated with the quality of relationship between communicators.

The primary objective of the study by Robson (2005) was to explore why and how senior managers failed to improve communication in their organization. A communication audit was conducted in a major European Health-Care Organization (HCO) undergoing significant internal re-organization. Findings of the study revealed that senior managers who over-worked were even less likely to have the time for reflection, followed by behavior change. Second, the absence of adequate upward communication might blind managers to the full nature of their problems, which in turn guided the search for solutions. The data suggested that attempting to cover up communication weaknesses by managers working even longer hours only had the effect of further disempowering people, and so accentuating rather than alleviating the communication problems.

## 2.6.2 Modes of Communication

This section presents studies on different modes of communication like face-to-face, written communication and e-mail within an organization, highlighting the advantages and preferences of people for particular mode of communication.

A study by Suchan (1995) examined an important contextual factor, organizational metaphor & its impact on writer's perception of and approach toward their writing tasks like their context, document design and stylistic choices. Through participant observation, semi-structured interviews, and protocol analysis data was collected from a medium size organization that daily gathered and disseminated large amount of information. The study focused primarily on information gatherers and secondly on report assessors. The study found that the predominant organization's metaphor that was embedded in the organization's guiding principles, in its training manuals, and reflected in its structure and reporting relationships was that of machine and mechanism: the organization projected and functioned like a machine: work was highly differentiated and functionally organized, formal decision-making power was centralized at the apex of the hierarchy, and information flew quickly through proper channels to maximize organization efficiency and worker's job responsibilities were specialized, precisely defined and fixed. Hence the writers of the organization saw themselves as communication ciphers or conducts, copiers, recorders, robots and described their communication activities in mechanistic terms.-neither augmenting nor interpreting information they elicited from their subjects. Further more this cipher role indicated that information gatherers and organization believed that language was clear, univocal and precise and meaning was fixed. This role was an outgrowth of the root organizational metaphor-the organization as a machine or mechanism. The conduit/cipher role helped explain Information Gatherers lack of concern or awareness of their reader, the limited amount of editing and revision they do, and their unconcern about and unwillingness to employ reader-oriented document design, stylistic, and organizational strategies. Furthermore, the Information Gatherers perceptions about writing and their writing habits were influenced by context factors such as the organization's structure, control system, and job design. These contexts factors were also affected by the root metaphor of the organization as a machine or mechanism.

Hansen (1995) explored how through a written documents, an individual could manage personal and organizational expectation, and claim and maintain authority in

a corporate setting. Analyzing the communicative activities, which included both written, and oral communication activities and interpersonal interaction of a project team in a large corporation in the computer industry. He tested the relationship of written text and authority. The concept of authority, in this context, did not necessarily mean the right to direct the work of others but rather, to self-direct, to minimize unwelcome managerial interference, to maintain a position in the formal and informal hierarchy. He observed that an individual through written documents such as memos, status reports, or meeting minutes could project a persona of competence, or to demonstrate acceptance of shared values and all of this granted him authority. The analysis of the data revealed that written text were used in a number of specific ways to maintain group authority. Strategies followed and observed included (1) placing a positive spin on negative events, (2) emotional distancing, (3) brevity, (4) demonstrating progress, (5) driving consensus, a positive outcome in the corporate value system. The team's continued authority to complete its project, and each member's authority as contributing employees of the corporation, were tied to the documents created by team members. These projected an image of team activities to a larger, sometimes unknown audience-an image of progress, of competence.

Sullivan (1995) argued that channel preferences would change depending on the communication activity, and in his research study proposed comparison to preferences for other communication channels, user preferences for e-mail would be affected by communication activity. The study focused on preferences for e-mail in an information intensive Florida House of Representatives. The total number of respondents was 135 representing directors, analysts, and secretaries. Respondents were asked if they used e-mail for each of a dozen communication tasks as follows: decision-making, personal messages, expressing opinions, drafting documents, answering questions, assigning tasks, exchanging information. It was clear from the analysis of data that both use and preferences for e-mail varied according to the type of communication activity in which one engaged and the staff member's position in the organizational hierarchy. In addition e-mail was generally used more for low social presence activities such as document delivery or sending information etc. than for high social presence activities such as decision-making. Thus the use of e-mail could be differentiated by the type of tasks undertaken. The study also did not support the channel richness theory that richer channels such as face-to-face or telephone would be preferred to the leaner channels of e-mail and paper text. When preference scores were averaged and ranked across channels, e-mail was clearly preferred over the telephone by the same difference that face-to-

face was preferred over e-mail. This finding indicated that e-mail was either a richer channel than previous studies had reported or preferences for e-mail were related to other characteristics such as its efficiency or compatibility to job tasks.

Bavelas (1997) in his research paper explicated three features of face-to-face communication namely unrestricted verbal expression, meaningful non-verbal acts and instantaneous collaboration between speaker and listener and then used them to measure other communication systems: written text, television, and electronic-mail. Users of these other systems often spontaneously accommodated their limitations by inventing dialogue-like features. Finally, it was proposed that the design of new communication systems could benefit by using face-to-face dialogue as both a standard and a source of solutions. And it was found that natural origins of communication were in face-to-face dialogue. Dialogue was not only first form of communication; it remained our most common in everyday life. Although other forms of communication offer new possibilities, but these possibilities could be enhanced if they draw on, rather than ignore, the attributes of face-to-face dialogue.

Claffey (1998) sought to determine the factors that contribute the media choices of receivers of organizational communication. An intranet-based survey was administered in a large multinational, financial services organization.. Theories tested included media richness theory and social influence theory. No support for either theory was found. With the inadequacy of these theories to explain media choices of receivers of organizational communication alternative explanations were explored. Open-ended questionnaire responses were analyzed and results from this procedure indicated that the media choices of receivers were due to certain characteristics of the media that were beyond what would be suggested by media richness theory. First and foremost, individuals also cited the ability of a media to facilitate future information dissemination and retrieval as important factors in their media selection as receivers of organizational information.

A number of studies have been under taken to highlight the impact of technology especially e-mail on organizational communication.

Liu-Cheng-Tao (1997) examined satisfaction with organizational communication and organization credibility as a result of Internet-based public relations communication with their public. Grunig's (1984) models of public relations (i.e. press agency or publicity, public information, two way asymmetry, and two-way symmetry) were applied as theoretical foundation for examining how organizations used the Internet to interact with their public.

Also, several applicable Internet features were used to differentiate potential corporate Internet strategy as either a one-way or a two-way mode of communication with their public. These features included having a home page, e-mail, usenet or forum, and chat rooms. Two outcomes of corporate Internet usage were examined and measured: communication satisfaction and organizational credibility. Findings indicated that asymmetry (strategic persuasion) related strongly to the use of one-way Internet strategy, but weakly to the use of two-way Internet strategy. Symmetric practice (mutual understanding) was found to be related directly and positively to the use of two-way Internet strategy. The press agency or publicity (persuasion) practice was not found to be related directly to the use of one-way or two-way Internet strategy. Results also showed that the use of the two-way Internet strategy was related strongly to perceived communication satisfaction and related moderately to organizational credibility. In contrast, the use of one-way Internet strategy was found to be related directly and positively only to perceived organizational credibility, not communication satisfaction.

Tidwell (1997) examined the relationship between anticipated interaction, communication channels, and communication goal in an attempt to more fully understand the ways in which these variables were related to each other and impact self-disclosure, question asking, impression development, and relational outcomes. To test the relationships between these variables individuals who were previously unacquainted with one another were asked to meet either face-to-face or via electronic mail and work to accomplish a task or social goal. Results revealed that computer-mediated interactants engaged in more direct uncertainty reduction behaviors. Further, increased use of direct strategies by mediated interactants resulted in increased judgments of conversational effectiveness. Face-to-face interactants were found to possess higher initial levels of attributional confidence and satisfaction relative to their partners but computer-mediated participants demonstrated significantly greater gains in attributional confidence over the course of the conversation. The interaction goals were found to impact both the quality and the quantity of the questions and self-disclosures. Participants with a social goal activity engaged in more peripheral questions and disclosures but conversed over a broad range of topics. Task interactants stayed focused on the task activity but offered more intimate questions and self-disclosures. The findings indicate that anticipated future interaction was important in both single and mixed channel settings as a means of encouraging impression formation, acquaintanceship behavior, and positive socio-relational outcomes. Furthermore, the findings demonstrated support for the hyper personal perspective of relationship development in computer-mediated settings. Finally, this investigation extends acquaintanceship beyond the realm of social settings to those involving tasks.

Sturgill & Foster (1998) investigated some of the effects of telecommuting on organizational communication satisfaction, work group satisfaction and work group cohesion. Participants from 15 organizations who either telecommuted or worked in a group with telecommuters completed surveys examining work arrangements, use of technology and the satisfaction and cohesion variables. Multiple regression analysis was used to examine the contributions of the time away from the office, media use, organization support and experience as a telecommuter to the satisfaction and cohesion variables. In general, it was found that employees who felt their organizations supported telecommuting were more satisfied. Spending work time at the office seemed to improve organizational communication. However, the richness of the media that participants used to communicate did not have a direct relationship. Subsequent examination of the data suggested that there might be a curvilinear relationship between both time and the office and richness of media and satisfaction with organizational communication. Overall, these results implied that the relationship between technology and organizational communication was more complex than had been previously theorized.

Wiesenfeld (1998) explored the role that information technologies play in the creation and maintenance of a common identity among decoupled organization members. The study proposed that virtual status would moderate the relationship between mode of communication and identification. The study was conducted in sales division of a large international computer company that had recently implemented mandatory virtual work program, both for cost reduction and strategic purpose. A total of 320 employees were surveyed and most employees were using a combination of different work modes in a given week.. The results provided support for the proposition that communication creates identification, moderated by employees' virtual status. Specifically although electronic communication was not a significant predictor of organizational identification across levels of virtual status, results suggested that electronic communication was a critical predictor of identification among virtual employees. The lack of significant results for face-to-face communication, either as a main effect determining identification or interaction with work mode, had implications for the decentralization of entire organization. In particular, the centralized office and activities that used to be conducted there might no longer have same level of importance. These results suggested that impact of virtual initiatives might be felt both by sectors of the organization in which workers were dispersed and among those who remained in traditional centralized offices.

Minsky (1999) investigated the role of individual differences in the choice and use of e-mail. The sample consisted of 163 faculty members from the College of Arts and

Sciences in a large State university. To ascertain an individual's and general level of e-mail use, Ku's (1996) scale of social and non-social uses of electronic messaging systems in organizations was adopted. Correlation matrices to determine if any of the variables of interest were significantly correlated with one another were created: Analysis of the correlation matrix showed that people who perceived e-mail as beneficial and easy to learn to use were more likely to use e-mail and hence broadly speaking rationality played a positive role in the decision to use e-mail. Specifically, favorable attitudes toward innovation and change, computer self-efficacy, and computer experience directly and positively influenced e-mail use, and in addition, attitudes towards innovation and change influenced the relationship between social context and e-mail selection and use.

Nicovich, (1999) in his study addressed a single driving issue: how did people react to, and interacted with, dynamic interactive communication situations. To test the question did the ability to interact with the communications scenario had an impact on the attitudes that were formed as a result of the event, computer simulations were decided upon. To empirically test these issues, subjects were tested under different computer mediated conditions. The results of the study indicated that the conditional perceptions of vividness, interactivity and one's ability to empathize, impacted the level of perceived presence experienced. Additionally, the degree of perceived felt presence experienced impacts on one's involvement with the task presented and the attitudes formed toward the experience and toward future behavior.

Tourchon (2000) examined the impact of computer-mediated communication towards organizational effectiveness in real setting in Malaysian context. This study was conducted on several branches of Malaysian Agricultural Bank (Bank Pertanian Malaysia or BPM) in the State of Sarawak, Malaysia. The main objective was to evaluate the impact of IBM AS400, a computer mediate communication system, used by the bank for its business transactions, in order to determine the effects of the system's features on employees' behavior related to their job performance. In addition, the study also intended to determine if there were relationships between the various independent variables (system design) and the dependent variables (employees' motivation, job satisfaction and workload). The sample of the study consisted of employees from various departments of the bank. Data and information was collected through interviews and questionnaires. The initial findings revealed that the score of suitability of system's features to users was quite high. The findings also revealed that the usage of the system helped reduce the workload of the Bank employees.

Galín (2000), investigated the impact of e-mail use on an organization, AVSC International which was an internationally dispersed organization, and began implementing an Internet-

based communication structure approximately six years ago. The concept of use was scrutinized along three lines: motivators of use, actual use, and by-products of usage patterns. Both an online survey and online follow-up interviews were utilized to collect information on staff experience using e-mail and other Internet-based tools. Analysis indicated that staff at AVSC International, both those based in New York and those based in one of the agency field offices scattered around the world, used e-mail on a daily basis for connection, communication, and information transmission. Several variables combined to produce the usage patterns, which emerged: the speed of connection, the ease of connection/information transmission, agency guidelines encouraging daily e-mail access, the agency value of inclusion, etc. Six potential by-products of usage patterns were discussed in these explication: amount of time spent working, communication load, stress related to communication load, changing communication practices, the cost of communication, and staff feelings toward the agency. Results most consistently indicated a contrast in the experience of staff based in New York City versus staff based in the numerous field offices of the organization especially as pertained to how Internet-based technologies were utilized. While Internet based technologies had succeeded in facilitating and maintaining predetermined connections between staff (members of a team), there had been little to no connections forged between separate field offices within this system.

Broaderick(2001) examined employee communications in four different corporations namely Florida Today, The Brevard Zoo, Nokia Mobile Phones, Inc., and Solunet in Melbourne. The paper examined the sources of information for employees--how employees at different levels received information and whether these were informal or formal channels of communication, the technology used for disseminating this information, relationship that such information induced among employees. Findings of the study showed that the structure of a company, its corporate culture and organizational environment influenced the modes of communication used by employees. Word of mouth and e-mail were the most frequent answers chosen by respondents regarding how they received information. Company publications were viewed as an integral part of communication in organizations. But an overwhelming majority of employees revealed that they received most of their information from employees, not publications. Technology was also a factor that was evaluated It was evident that the structure of the organization determined whether or not e-mail was used most. The research also determined that even though some companies were utilizing technology more, there was no substitute for word of mouth communication. Personal relationships would continue influencing how people thought and felt about the workplace. It was extremely important in employee satisfaction levels.

### **2.2.3 Role of Organizational Communication in Crisis:**

A number of research studies such as by Monippaly(2003); Noone(1996); Stroh(2002); Adams(1995); and Papadakis (2005) etc. have reported the nature and role of communication during crisis which could occur during change, merger or at the time of retrenchment in the organizations.

Adams (1995) addressed the problem of effective communication with internal audiences in organizations involved in crises. In this study, descriptions of 157 crises were content analyzed for crisis type, initial and ongoing communication channels and sources, and respondent preferences for communication strategies. The respondents' crises were sorted into eleven categories: downsizing/layoffs, accident/violence, takeover/sale of the company, misconduct, strike, process failure etc. A clear pattern of employee preferences for communication emerged from the data. Subjects expressed a strong preference for receiving timely information from their direct supervisors, but reported they frequently received first and ongoing information about an organizational crisis from some other source. This suggests that organizational crisis communication plans should be expanded to include appropriate attention to communication methods and messages for internal stakeholders.

Noone (1996) took up a case study of the University of Maryland for the purpose of analyzing the communication patterns that may have been responsible for the success of University of Maryland downsizing process. On campus interviews with key persons were conducted to identify the flow of communication through the College of University of Maryland authority hierarchy. The findings of this study indicated that the communication, that appeared to have had a positive effect on the success of the process at the University of Maryland, was manifested at the decision making level and between and among the decision making bodies that were in operation on the campus of College of University of Maryland. The findings indicated that the dominant authority structure and related decision making process at College of University of Maryland was a collegial structure. This accounted for the flow of communication, formal and informal, that achieved a consensus of the campus that supported the downsizing plan.

Smiths et al (2001) measured in three different organizations a large, nonprofit customer servicing, a nationally operating utilities company, and a commercial organization, which had recently undergone merger. Specifically, the results showed that employee communication augmented external prestige and helped to explain organizational identification. Communication climate played a central role mediating

the impact on organizational identification of the content of compunction. The relative impacts of employee communication and perceived external prestige on organizational identification differed between organizations; this was attributed to differences in reputation of the companies.

An experimental study by Stroh (2002) was conducted to determine the relationship between the communication management strategy followed during change in an organization and the resulting relationship-and behavioral effects of the employees. The two different change management strategies had a definite effect on the relationship that employees had with the organization. It was found that a higher degree of participation during high change in organizations would lead to significantly more positive overall relationships between an organization and its internal public than with lower degrees of participation and a planned approach. It further indicated strong correlation/relationships between the strategy followed during change and the resulting projected relationships with internal stakeholders of the organizations. The findings support a strong participative two-way communication strategy to be followed when organizations go through major change processes.

Monippally (2003), in his research paper, recommends organizations to adopt a macro communication strategy (consisting of mutually reinforcing verbal and non-verbal components of communication) to micro communication strategy (that depends largely on the verbal component of communicating process) in the event of downsizing as it helps in softening the blow. Three Indian Companies of different sizes - Pennar Industries Limited, Pennar Investor Services Private Ltd., and Everest limited, which went through the process of downsizing were studied, it was found that the adoption of a macro communication strategy helped both Pennar and PISPL downsize successfully as compared to Everest limited, which faced difficulty in reducing the workforce. The former maintained transparency about the working of the company. The top man's self-imposed cuts in perquisites and basic entitlement strengthened the credibility of his assertion and reinforced his message non-verbally that the company was going through economic crisis. The employees in both the companies Pennar and PISPL felt the termination of their employment was inevitable and fair hence left the companies without demanding monetary compensation. On the other hand, Everest had difficulty in implementing its plan for layoff despite the fact that it offered an attractive economic package to its employees whose services were terminated. The company relied on a micro communication strategy that relied on logic and data and failed to convince the employees why the company was forced

to take up the decision of retrenchment and it took the company three to four years to downsize mainly because of litigation.

A pilot study was undertaken by Daly et al (2003) to gain an insight into what a section of senior executives in the Northern Ireland companies thought about the role of internal communication in the successful implementation of change management programme. The findings showed that the sample group was emphatic about the link between internal communications and change management. However their respective management styles and corporate philosophies did impinge upon how change was communicated internally. Further the efficacy of both change management programmes and internal communication was dependent on a host of common and interdependent variables such as corporate size and structure, corporate and national cultures, trust, corporate politics, ownership and linking internal communication and change management, which frustrated or facilitated the change process were the ones which impacted on the effectiveness of communication internally.

Papadakis (2005) investigated what actually influenced a merger and acquisitions (M&As) successful implementation. It explored the influence of a range of factors including external corporate environment, company characteristics, communication program and the characteristics of the M&A itself. Second, it was based on a comparatively large sample of 72 in-depth studied M&As which took place in Greece. Findings indicated that the existence of a communication program was among the most influential factors in the successful implementation of M&A. Results showed that the appropriate communication strategy was the area that could significantly improve the odds of success in post-merger integration.

On the basis of studies discussed in this section, it can be concluded that researchers have explored diverse issues related to organizational communication. Communication plays an important role in the organization especially during crisis and helps the organization to successfully implement change. Integration of technology at workplace has impacted organizational communication. However, the use of technology mediated communication depends on the individual factors such as rationality or attitude towards change and self efficacy, corporate culture and organizational environment also influence the modes of communication. Characteristics of media also affect the use or preference for a particular media. As is evident, limited number of studies has been conducted in Indian context as

compared to number of studies conducted in the West and, America. Hence, there is need to focus on this area.

## **2.7 Organizational Effectiveness: Review of Related Literature**

The review of related literature on organizational effectiveness comprises of studies related to development of model of organizational effectiveness evolving criteria for measuring organizational effectiveness, factors affecting organizational effectiveness: organizational structure; leadership, communication; technology; planning; organizational culture; job satisfaction and human resource outcome and a comparative studies of different types of organizations or perceptions of people working at different organizational levels like managers or skilled workers on organizational effectiveness. These are discussed below:

A few studies have been undertaken to develop a model or building a rationale for measuring or improving organizational effectiveness.

An exploratory study by Smith and Gannon (1987) examined how the criteria for organizational effectiveness vary with different stages of growth and development. In this study, the effectiveness criteria like control, leadership, communication, planning, perspectives on change, knowing the business, market orientation, innovation and risk taking employed by entrepreneurs by small start up firms in their initial stages of growth were compared to those of employed by professional managers from both high growth firms and more mature firms experiencing decline. Thirty-one entrepreneurs and professional managers from 27 firms participated in this study. The major conclusion drawn was that the criteria for organizational effectiveness were likely to change with different stages of organizational growth and development. Three effectiveness profiles emerged for the three stages of firm growth. Of the three entrepreneurial firms had the narrowest perspective emphasizing leadership, planning and knowing the business. In contrast professional managers from high growth and mature organizations used a broader set of criteria like communication, leadership, knowing business being innovative which probably reflected the more complex nature of their organization.

A multivariate model of organizational effectiveness was examined by Srivastava and Ghadially (1996) taking organizational, structure, communication process and locus of control of executives as antecedent variables. The study tested some aspects of contingency theory of organizational performance in Indian context. Two criteria namely organizational adaptability and organizational performance were taken to

measure effectiveness of organizations. The findings of the present study indicate that organizational structure; communication process and locus of control are significant predictors of organizational adaptability and organizational performance in case of large organizations. However, in case of small organizations these variables cannot predict the adaptability and performance of the organization. It implies that structure-performance relationship is influenced by the size of the organizations in Indian context and contingency view of organizational performance is applicable to only large organizations.

Pritchard & Armistead (1999) conducted a survey and case study research into the understanding and application of BPM (Business Process Management) in European companies. The sample was drawn on a postal survey conducted with quality directors and business process managers in organizations who were members of the European Foundation for Quality Management (EFGM) and case studies in a number of organizations like Rank Xerox, British Telecom, TNT etc., regarded as being leaders in the adoption of BPM. The results highlighted that eighty two percent of respondents cited BPM as being important in achieving business excellence, that BPM was seen as a holistic approach, integrating the process perspective into all aspects of the business employed in commitment to managing by process in the long term.

Maltz (2001) developed a new model for assessing organizational effectiveness on the basis of survey of 180 respondents. Descriptive statistics were deployed to study whether different organizational types (e.g high technology vs low technology; small or large; speed of life cycle) suggested different success measure. The multidimensional framework was developed by studying five relevant research streams: corporate entrepreneurship, strategy, process, and product development, marketing and economic finance. Multidimensional model of organizational effectiveness which included financial, market \ customers, process, people development and future was developed. The research suggested that organizational success was multidimensional and could not be defined by a limited number of variables.

The research by Nobbie (2005) compared the performance of non-profit organizations with policy governance organizations. A stratified sample of 290 chief executive officers from 1500 non-profit organizations and CEOs of National Center for Non-profit Boards formed the control group and other sample consisted of 234 board members of 32 policy governance organizations. Four dimensions of

organizational effectiveness (goal achievement, resource acquisition, internal processes and CEO job satisfactions) were assessed in these samples. The use of control group allowed examination of whether measures of effectiveness from policy governance organizations varied significantly in these four areas from other organization where governance practices were undetermined, or from organizations that had participated in governance development. The findings revealed that of thirty-two members of policy governance organizations consistently and to a high degree practiced Policy Governance behavior more than traditional board behaviors. However, board members, CEOs, and to a lesser extent, board chairpersons perceived significant improvement in the board's performance after adoption of the policy governance model. . However, there was little support that policy governance model yielded superior results in terms of board performance and organizational effectiveness.

The purpose of the study by Shilbury and Moore (2006) was to apply the competing values approach of organizational effectiveness to a sample of non-profit Australian national Olympic Sporting Organizations (NOSOs). The study was to determine the psychometric properties of the subscales developed within each of the four quadrants composing the CVA. Two hundred eighty nine constituents from ten NOSOs participated in this study. Initial factor analysis resulted in six of the eight theoretically derived cells in the CVA each yielding one reliable factor. These were Flexibility, Resources, Planning, Productivity, Availability of Information, and Stability. The other two cells, Skilled Workforce and Cohesive Workforce, each produced a two- factor structure. Further a confirmatory factor analysis was conducted to understand the relationship between these manifest factors, and organizational effectiveness, which revealed that the rational- goal model, comprising Productivity and Planning, was the critical determinant of effectiveness in NOSOs.

A number of studies have focused on factors contributing or related to organizational effectiveness.

Reif et al (1973) in his study measured quantitatively member perceptions of the formal and the informal organizations and its impact on organizational effectiveness. Three hundred forty one managers and white-collar employees of various organizations, like government, military, health services, education, business represented the sample. The semantic differential technique was used to measure respondents' perceptions along two independent dimensions of interest-evaluative to measure if organizational components were valuable and beneficial to the individual

in satisfying his needs and the potency dimension to measure perceptions of the strength or weakness of the formal and the informal organizations in affecting individual behavior. The results showed that along the potency dimensions formal organization was perceived to be significantly stronger and more influential than the informal and along the evaluative dimension, managerial and white-collar perceptions of the formal organizations were significantly more positive than for the informal organization. Respondents perceived that the formal organization was more valuable in satisfying their needs.

Sayeed (1991) made an attempt to examine the degrees of relationship between internally assessed organizational health dimensions such as adaptiveness and organizational excellence and perceived measure of organizational effectiveness in a multivariate framework, besides analyzing the moderating effect of job/organizational demographics on organizational health and effectiveness relationships. Data was collected from seventy-two employees of a medium size manufacturing organization. The results showed that organizational health dimensions, such as adaptiveness and organizational excellence, contributed significantly to organizational effectiveness measures, while problem solving adequacy and innovativeness related negatively with some facets of productivity and adaptability dimensions. The overall analysis revealed significant relationship with productivity dimension of effectiveness, whereas the relationship with adaptability and the composite measure of effectiveness was insignificant. Although moderating effects of individual differences were found to be statistically insignificant, the findings suggested a meager influence of individual differences.

.In a case study Chien (1992) explored the important issues of the factors that affect organizational effectiveness. The research method adopted was the case study of the qualitative research and the data was collected through in depth interviews of 30 employees, including ten managers and twenty workers. An analysis of the research data showed that there were seven factors affecting organizational effectiveness namely: (a) personal characteristics, (b) leadership styles, (c) organizational culture, (d) working environment, (e) model of organizational operation, (f) flexibility and, (g) organizational commitment.

A study by Wilhelm (1993) investigated the discrepancies or conflict between the attributions of leaders and members as a function of Leader-Member-exchange quality and explored the relation between attributional conflict and subordinate job satisfaction, perceptions of equity, and turn over intentions. Data for the study were

provided by 141 supervisor-subordinate dyads from the managerial ranks of a large manufacturing organization. Findings suggested that attribution discrepancies were due, in part; to the tendency of leaders to make more favorable attributions for subordinates reporting higher LMX quality than for subordinates reporting lower LMX quality. Results also revealed that, while attributional conflict was negatively related to subordinate satisfaction and perceptions of equity and positively related to turnover intentions, attributional conflict did not predict subordinate work outcomes when the effects of LMX quality were controlled.

Hariharan and Ganeshan (1994) examined the nature and extent of association between the perceptions about the different factors of organizational effectiveness like job satisfaction, morale, industrial relation, quality of work life, organizational climate and organizational health and participation. They also identified factors of organizational effectiveness, which could help to motivate the participation. The study was undertaken in the public textile mills under the control of National Textile Corporation. The sample of Two hundred and fifty employees across the various levels of hierarchy through random sampling was taken. The findings showed the association between the perceptions about the different factors of organizational effectiveness and participation in general was positive. In case of skilled and semi-skilled workers, the relationship of job satisfaction, morale, industrial relations and with work life with organizational effectiveness were found to be highly significant. The relationship between organizational communication and health of the organization was however found to be negative. But, in case of supervisors and executives, the relationships among the variables organizational communication, organizational health, and participation were found to be strong.

Roberts (1996) reviewed and analyzed the variables derived from both external and internal environments, which directly had an impact on the effectiveness of the California Environmental Protection Agency's (Cal.EPA) processes and the effect of these variables on the segments of the organization throughout the tests of integration, disintegration and reintegration. The research findings suggested that, despite the rational design of organizational structures and functions, under influences from the surrounding environment, some degree of underlying dysfunctional influences had occurred within the organization. The study suggested that the sub groups might exhibit receptivity and adaptability towards changes to avoid confrontational situations while continuing to maintain their individual and group authenticity. This behavior of collaboration in disguise would gradually become

detrimental to the organization's operational goal because this practice weakened the organization's internal components, and it also revealed organizational tendencies to shift away from the espoused mission and values.

The study by Verma and Jain (1996) aimed at investigating the relationship between leadership styles of higher and middle level managers on organizational effectiveness. It also sought to examine the influence of individual-centered variables of age, education and length of experience on organizational efficiency. Ninety-two executives representing two levels of managerial hierarchy, the higher and the middle, constituted the sample for the study drawn from twenty-five large public limited companies from the private corporate sector in India. The results of the research revealed that at both levels, participative style was not correlated with organizational effectiveness. At middle level, bureaucratic and nurturant leadership style were not conducive to organizational effectiveness. Whereas, at higher level, bureaucratic leadership style was highly correlated with one's own efficiency and that the nurturant and bureaucratic style were significantly correlated with the effectiveness of the superior in terms of his various abilities. Further the multiple regression analysis revealed that the most potent and significant predictors of organizational effectiveness were the authoritarians and the task oriented, leadership styles at the higher level.

The primary purpose of this study by Richard(1997) was to test whether or not Diversity and 'Diversity Practices' had a significant impact on organizational effectiveness in isolation and/or when aligned with business strategy. The major findings of this dissertation were that some diversity practices had utility in increasing the level of diversity in organizations while others were more useful in increasing organizational effectiveness supporting universalistic notions. In addition, many of these diversity practices had effect on organizational effectiveness and were contingently related to business strategy supporting contingency predictions. Finally, it was also found that the level of diversity, particularly gender diversity, had a positive impact on performance only when properly aligned with business strategy supporting contingency notions.

Impact of Information technology on organizational effectiveness was examined by Banwet et al (1999) involving 18 large organizations having successful information system. The organizations were selected from manufacturing, service and consultancy sectors on the basis of being strategically independent, profit seeking, successful in-house, and Information system open to investigations and having a large size. The respondents represented various levels in organizations hierarchy.

The results indicated that the IT had a strong impact on organizational effectiveness, which was measured by organization's goal attainment, function, human resource function, adaptive and integrative function. It further revealed that the impact of Information Technology on organizational effectiveness was instrumental to the successful implementation and usage of such systems in the organizations.

Vandenberg (1999) examined the perspective on employee involvement. At the core of this perspective were four mutually reinforcing attributes; powers, information, reward and knowledge and to the degree in which these attributes were spread throughout the organization and were not only the privilege of a few individuals, the organization could be said to be effective. It was found the involvement variable possessed both a direct influence upon organizational effectiveness and an indirect influence through its impact on employee morale. It also supported the notion that the high involvement attributes did not exist in a vacuum but were themselves a function of an array of reinforcing business practices.

Bhal and Ansari (2000) compared the average leadership style approach with the vertical dyadic linkage approach to leadership and examined the two as simultaneous processes. The study incorporated the five-item version of leader member exchange scale of Green et. al and LMX scale as a multi dimensional tool with the potential to test the reciprocity in a leader member dyad. The analysis of the findings was incisive and revealing that focused on the leader-member dyad and the quality of interaction as the key variable that formed the basis of unit differentiation. The major conclusions, arrived at were: behaviors directly related to the leadership situations were instrumental in determining the quality of exchange in dyads. The use of both upward and downward influence strategies was predicted by the quality of exchange as a measure of leadership. The findings also revealed that quality of exchange was not a good predictor of hard outcome variables like intent to leave, while, other outcome variables for the members do get influenced by the quality of leader-member exchange.

Reddy and Gayatri (2000) examined the differences between the large and small organizations in terms of structure, communication and effectiveness.. For this purpose six textile organizations were selected and 235 respondents were chosen from workers and supervisory levels who were directly involved in the line of production. The results revealed that large organizations with higher levels of bureaucratization were able to communicate all policies and procedures accurately to their members and functioned effectively whereas small organizations with relatively

less bureaucratization, more open and less accurate in communication were relatively less effective in their functioning. In addition, the present research found that the organizational phenomenon (organizational dynamics, attitudes of employees etc) was shaped by contextual factors like size, thus leading to effective organizational performance.

Koys (2001) addressed the issue of whether positive employee attitudes and behaviors influenced business outcomes or whether positive business outcomes influenced positive employee attitudes and behaviors. It was hypothesized that employee satisfaction, organizational citizenship behavior, and employee turnover influenced profitability and customer satisfaction. Data were gathered from 28 units of a regional restaurant chain via employee surveys, manager's surveys, customer surveys and organizational records over a two-year period. Cross-lagged regression analyses showed that employee attitudes and behaviors at time one were related to organizational effectiveness at time two. Additional cross-lagged regression analyses showed no significant relationship between organizational effectiveness at time one and the employee attitudes and behaviors at time two. These results indicate that human resource outcomes influence business outcomes rather than the other way around.

Dumblekar and Sharma (2001) in their research study in banking sector identified the correlation and role of leadership in the Banking industry that would help transform a bank into a high performance organization. The younger group with a maximum experience of 24 years covered 23 respondents, while the older group had 25 respondents with a minimum experience of 25 years. And amongst the 50 variables the questionnaire covered, leadership style was also one of them, which attempted to classify bank manager's supervisors at three levels as leaders on the basis of their communicative styles. The immediate supervisors of the manager usually either told the managers what to do/or allowed them to participate in the management process. The superior's superior diverted on telling and delegating to him. Selling as a leadership communication technique was rarely employed by any of the three categories of managers in dealing with their subordinates. The managers found that their CMD favored delegation, but not in participative leadership. The younger managers felt that there was less participation by their immediate superior. However, the next two levels, specially the CMD, used delegation more frequently, the CMD did not employ either selling or participating as leadership communication. The views of the older managers almost paralleled those of the total sample. One of the

implications for the CMD and other leaders was that “the communicative style and leadership behavior is under constant watch, and is critiqued by subordinate managers.”

Truran (2001) collected data from eight organizations which were knowledge intensive firms to identify variables and conditions related to knowledge gained by individuals in organizations and to study how that knowledge was used by the organizations to improve its performance. The results indicated that the hypotheses related to influences on organizational learning were statistically significant. Influences on learning did affect organizational success and learning influences might be combined into three groupings (individual sources, collective sources, and structural sources). The three influences affected framed views of success: (a) Outward and product orientation, ((b) inward and process orientation, and (c) financial orientation.

This study by Ogunrinde (2001) examined the extent to which Fortune 500 corporations were engaged in formal comprehensive strategic human resource planning and whether or not more comprehensive HR strategies were related to higher performance and efficiency. Data were collected from 173 respondent corporations. The six effective measures were sales-net, earnings growth-decile, employee/total assets, Labor costs/employees, earnings/Labor cost, and return on investment. Corporations engaged in HR strategic planning performed better than those which did not. It was also found that 54% of the companies surveyed indicated that more senior executives were participating in long-range planning than in the past.

Malik and Goyal (2003) in order to establish and evaluate organizational effectiveness for improved information system effectiveness in the organizations, suggested ACE model – a 3-ring model, comprising of processes to adapt, collaborate and evaluate which was tested by using the sample comprising of three automobile manufacturing organizations and seven ancillaries that supplied the components to the manufacturing organizations in the sample. One hundred and thirty two respondents participated in the study. Results, showed that the e-mail was commonly used application for intra-office and inter-office communications. However, this facility was used to exchange general information and specific details about orders but in an unstructured data formats which resulted in duplicity, redundancy and inaccuracy. Therefore, the use of quality information was low for decision-making, control, future planning and information analysis. Also, it was found that the

increased level of sophisticated Information Technology, discouraged employees from adopting. In the absence of constructive evaluation process, there was no check on use of information system, hence the defaulters went unnoticed and unanswered, sufferers unattended and organizational investments underutilized. Hence the organizational effectiveness in Indian Automobile industry was less than moderate.

Priyadarshini and Venkatapathy (2003) made an attempt to identify the factors affecting the effectiveness of various categories of banks pertaining to their financial performance and level of ownership. A total of 200 complete responses were collected from 20 banks, which were categorized, into top performing private banks, low performing nationalized banks and low performing private banks. From the analysis of the data it was found that there was significant difference between types of ownership of banks (nationalized, private) with respect to the following components of organizational effectiveness: immediate supervision, management leadership, compensation, organizational values, communication etc. The results on ownership types and levels of performance indicated that top performance nationalized banks scored high in immediate supervision, management leadership and personal morale and motivation followed by top performing private banks, low performing private banks and finally the low performing nationalized banks. Results on ownership types and levels of performance showed the nationalized banks had a higher score than the private banks on the components of feedback and growth, working conditions and job demands and compensation. The results on ownership types and levels of performance showed that top performing private banks had high organizational values compared to other categories of banks. Results on ownership types and levels of performance indicated the nationalized banks exhibited a higher score on communication and productivity and decision-making.

Analysis of the foregoing studies on organizational effectiveness indicates that organizational effectiveness is a multi dimensional concept and multiplicity of factors affect the effectiveness of organizations. These include: organizational structure, organizational culture, processes, diversity (gender diversity) and technology. Not many research studies have been undertaken in India. Thus, there exists scope for research in the area of organizational effectiveness in India.

## **2.8 Organizational Communications and Organizational Effectiveness: Review of Related Literature**

Business crisis according to Gerald Meyers (Former Chairman of American Motors) can result from many different types of situations like erosion of positive public

perceptions, sudden market shifts, product failures, hostile takeovers, top management succession. Though vastly different in causes and consequences, these categories, have many features in common. In all cases, the situations run the risk of escalating intensity, interfering with the normal operations of business, jeopardizing the positive public image presently enjoyed by a company or its employees, damaging the company's bottom line. During such situations, organizational communications may significantly reduce the chance of escalation, limit interference with normal business operations, and contain damage to the company's reputation and bottom line. Hence numbers of studies have been taken to highlighting the role of communication in enhancing the effectiveness of organizations.

The purpose of the exploratory study by Muchinsky (1977) was to examine relationships among measures of organizational communication, organizational climate and job satisfaction. Six hundred ninety five employees of a large public utility constituted the sample. The findings showed that (a) some of the dimensions of organizations communication (for example trust, influence, directionality-downward and lateral, accuracy, satisfaction with communication) were significantly related to all or most of climate dimensions (inter-personnel milieu, standards, affective tone towards management, organizational structure and procedures responsibility and organizational identification), while other dimensions of communication for example gate keeping, overload, written modality and other modality were not related to any climate dimensions. Like wise some of the communication dimensions (trust, influence, desire for interaction, accuracy, directionality, downward and lateral and satisfaction with communication) were found to be significantly related to all or most of the dimensions of job satisfaction (work, supervision, pay, promotions and co-workers) while overload and written modality were found to be not significantly related to job satisfaction.

Maloney (1993) investigated the relationships among the factors of communication satisfaction and the factors of administrator job satisfaction among public school administrators. A random sample of 1000 administrators from 128 public school districts in Nassau and Suffolk counties in New York State were collected. Of the 1,000 survey packets distributed, 624 provided useable responses for analysis. This investigation found that different factor structures existed for public school administrators. The communication satisfaction factor structure identified in this study consisted of organization-wide communication, communication with superiors,

organizational perspective, personal feedback and communication with subordinates. The job satisfaction factor structure identified in this study consisted of Influence at district level and advancement, facilitating teacher and student achievement, pay, relationship with colleagues, work environment, the work itself and security. A correlation analysis was used to determine if relationships existed among the factors of communication satisfaction and the factors of job satisfaction. Twenty of the 35 relationships among the factors of communication satisfaction and the factors of administrator job satisfaction were found to be significant. All the communication satisfaction factors had relationships with the following administrator's job satisfaction factors: Influence at district level and advancement, relationship with colleagues, work environment and the work itself. All the communication satisfaction factors did not have relationships with the following administrator job satisfaction factors: facilitating teacher and student achievement, pay and security. The strongest relationships included either the administrator job satisfaction factor of Influence at district level and advancement or the factor work environment. Of the communication satisfaction factors, communication with subordinate had the least significant relationships with the job satisfaction factors.

Sharma (1993), presented the case of the Template Co. of India Ltd., which had a very successful run for decades? But during 1970's the company ran into serious troubles, when the company decided to revamp its technology. It accumulated heavy losses; employees' morale was pushed to a low level, discipline suffered and management had lost its rightful role. Chief Executive, decided to have the organization reviewed for its growth besides for its subsistence. A survey to explore and diagnose key factors of the organization culture and identify the weakness where efforts would have to be focused on was conducted employing survey feedback method. The results of the survey revealed that amongst the various steps that were taken to renew or revive the company, lot of emphasis was given to group dynamics, role of members, extra group communications and to build cohesiveness. The executives as well as the supervisors were exposed to the concept of self, group dynamics, motivations, communication and understanding of human behavior and as a result of these interventions; the company was revived and started functioning smoothly.

As a result of environmentalists' attacks, environmental legislation and a weakening economy, Southern California's Ganahl Lumbar Company faced a situation, which threatened its image, resources, financial viability and survival. Seiter (1995) using the qualitative data gathering techniques examined the ways in which Ganahl Lumbar responded to these concerns. Specifically, this study identified whom Ganahl

Lumbar employers perceived to be their most important audiences like employees, customers and the surroundings community and focused on the different communication strategies that the company was using to influence these audiences. Conclusions indicated that despite Ganahl's awareness of three important audiences, the company was doing little to influence the community that surrounded it. Essentially all of the company's communication had been aimed at its employees and customers who presumably posed little threat to the company while the public, which potentially posed the largest threat, would receive the least communication. Ganahal Lumbar had pulled inwards and become egocentric. In short, the current problem that Ganahl Lumbar was facing could be the result of the company's strong culture, which could be interfering with the company's ability to adapt changing times.

Anderson and Martin (1995), investigated employees' motives for communicating with coworkers or with superiors and their satisfaction with their work, satisfaction with superiors, with commitment. Full time workers (N=202) reported high satisfaction with superiors, as well as moderate satisfaction with work and commitment, when communicating with superiors from pleasure, affection, and inclusion needs but not for escape. Employees reported high work satisfaction, along with moderate satisfaction with superiors and commitment, when communicating with coworkers for affection but not for escape. Females, more than males, communicated with their bosses for affection and relaxation. Males communicated with coworkers more from control needs, while females communicated for affection. Both communicated more with co-workers versus superiors on all of the motives except for duty. Females communicated more from the duty motive with superior versus co-workers.

Atwater (1995) investigated the impact of upward feedback on leadership behavior as rated by followers and leader's self-evaluations. The value of supervised practice to encourage desired leader behavior in addition to providing feedback to the leader was evaluated on a sample of 978 student leaders and their 1,232 followers. The study also assessed the changes in follower rating and self-ratings of individuals with initial follower evaluations over and under their self-rating. Results indicated an overall improvement in leader's behaviors after receiving followers' feedback. Self-evaluations for leaders receiving negative feedback went down, while for those getting positive feedback went up. Moreover, follower rating of leader who received negative feedback improved following feedback to leaders. However, no change in follower rating was observed for those receiving positive feedback.

When faced with a crisis, organizations are compelled to communicate strategically with stakeholders to manage legitimacy. This study provides an investigation of the effects of crisis-response strategies on perceptions of organizational legitimacy. Witherspoon and Wohlert (1996) presented a part of an ongoing two-year research project to foster and maintain diversity within a 14,000 employee statewide public agency called TRANWAY and among the external constituents doing business with the agency. Diversity in the workplace was a phenomenon of great strategic and operational consequences for both public and private organizations. The findings indicated like many organizations, TRANWAY was indeed a collection of groups-people with different educational levels and pay scales, people of both genders and various ethnicities and races, and people who performed a variety of tasks. Based on these findings, an action plan was suggested that included an effort focused on facilitating diversity by increasing information flow to “special audiences” outside the agency as well as inside the organization, to recruit and retain women and minority employees.

Hermon (1996), examined the perspectives of both employees and senior managers in a service company to determine if the communication between advisory panels representing diverse groups of employees and senior managers resulted in a shared understanding and commitment to diversity. Structured telephone interviews were used to gather data for this research. Responses were assessed and effectiveness scores were calculated for each subject by combining the responses to three-statements measuring subjects agreement or disagreement with the given effects of advisory panel. An analysis of interview transcripts revealed a shared agreement among the majority of the participants regarding the advisory role of the panels. In addition, raising the sensitivity of senior managers, increasing career advancements for women and minorities, and improving interpersonal relationships were identified as positive effects, while a small group of participants’ thought that the panels had led to resentment of diverse groups.

The primary purpose of the study by Petitt et.al (1997) was to determine the moderating effects, if any, of organizational communication upon the employees’ performance satisfaction-relationship that if employees were exposed to appropriate communication (trust, accuracy etc.), job performance in turn will be improved leading to increased job satisfaction and also giving insight into the complex web of relationships among organizational communication, job performance, and job satisfaction. Data was collected from 302 employees from two manufacturing firms;

the participants were to response to two questions. Results showed that job performance had a direct, weak to moderate relationship with job satisfaction, which suggested that changes in one of the two variables (performance or satisfaction) might only weakly or moderately influence the other. Organizational communication received weak support as a moderator of the relationship between performance and satisfaction. This finding implied that individuals, who received proper, correct and clear information might perform adequately, which in turn might give rise to positive feelings about their jobs vice-versa. Supervisors might be able to promote adequate levels of job performance and job satisfaction among their employees by providing them with appropriate and accurate information. On the other hand, individuals scoring low in lateral communication reflected a greater correlation between performance and satisfaction with pay than respondent scoring high. This finding suggested that employees subjected to low levels of lateral communication might be less inclined to make non-desirable comparisons of job related features including pay which in turn negatively affected both performance and satisfaction with pay. That organizational communication received strong support as a predictor of job satisfaction and weak support, as a moderator of the job performance-job satisfaction relationship was the major conclusion of this research. Although some relationships did not prove significant as hypothesized, communication did prove to be important in organizational functioning nonetheless. Lateral communication was found to moderate the relationship between satisfaction with pay and performance, while accuracy of information was shown to moderate the relationship between satisfaction with pay and performance, while accuracy of information was shown to moderate the association between satisfaction with work and performance.

Communication dimensions with the greatest support as predictors were accuracy of information, desire for interaction, communication load, trust in superior, influence of superior, and satisfaction with communication.

Morley et al (1997) conducted an extensive self-report anonymous survey of 492 Italian professionals employed by ten different companies to collect data on perceived organizational rules, how much individual respondents valued those rules, how satisfied they were with organizational relationships, outcomes, and communication, and an evaluation of their organization's effectiveness. The results in this research demonstrated that rule-value discrepancies for each of these dimensions had differing relationships with organizational communication process. Specifically, the higher the individual's discrepancies between organizational

success definitions and their own personal success values, the greater the need for more communications, the less the agreement was with the prevailing cultures, and the lower were estimations of organizational effectiveness. High discrepancy for the acceptance conformity dimension was related to lower unmet communication needs, higher relationships and outcome satisfaction, and higher overall evaluation of organizational effectiveness. Discrepancy, low and high, for the structural determinants dimension was not significantly related to organizational communication processes. Higher structural determinants discrepancy however was related to more disagreement with prevailing organizational culture and lower satisfaction with organizational priorities.

Hilgerman & Hans (1998) examined goal setting, communication-satisfaction, and concrete-control differences between effective and less effective self-managing teams (SMTs), which, to varying degrees, controlled their work processes and work rules. This survey research examined these assumptions by testing the hypotheses that team members from more effective SMTs (independent variable) report significantly higher positive attributes of goal setting, satisfaction with communication, job satisfaction, and self management (concrete control independent variables) than team members from less effective teams. Correlations were produced between SMT-member perception of goal setting and communication satisfaction. In a two stage procedure 149 members of 17 SMTs at a West Coast telephone directories printer and an East-Coast manufacturer of semiconductors completed modified versions of the Organizational Goal-Setting Questionnaire (OGSQ), the Communication Satisfaction Questionnaire (CSQ), and the Concrete Control Scale (CCS), which measured the degree by which work team were self managing. Senior managers rated overall SMT effectiveness. SMT effectiveness was related to most measures of positive goal setting perceptions. A clear understanding of the rewards for reaching goals was particularly linked to team effectiveness. Team members' degree of control over team work and their satisfaction with their relationship with their team leader were significantly related to team effectiveness. As this degree of control increased SMT members reported higher positive perceptions of their goal setting process, greater satisfaction with their SMT and host organization communication environments, and higher job satisfaction. As in traditional work settings, SMT Job satisfaction was not linked to effectiveness, although it was linked to other important job outcomes. Although their team leader often avoided discussing negative aspects of team life, SMT members reported that their relationships with their team leaders and team members and feedback related to their jobs were most important to them in determining their satisfaction with their team's goals, communication, and work.

The purpose of the study by Haas (1999) was to explore relationship between conflict management styles and organizational communication climate established by comprehensive high school principals and career technical centre principals and to determine if their methods of handling interschool conflicts differed.

A total of 122 comprehensive high school principals, 26 career technical principals, and 286 teachers from both categories of schools participated in this study. Significant correlation in a negative direction existed between four of the six dimensions of communication channel. Control vs. problem orientation, strategy vs. spontaneity, superiority vs. equality, and certainty vs. provisionalism. The inverse relationship between non-confrontation and these four dimensions suggested that a more suppressive climate using control, strategy, superiority, and certainty might be associated with principals who were more able to be non confrontational in their communication styles. A positive correlation existed between confrontation solution oriented and one of the six dimensions, empathy and neutrality. Principals appeared to perceive the organizational communication climate in a significantly more positive direction than teachers.

A longitudinal survey research project by Farmer (1999) of a mid size university campus undergoing leadership change determined the relationships between members' shared vision of the organization's goals and a number of communication related activities. The findings clearly showed a statistically significant relationship between effective communication and the crucial organizational outcome of shared vision. They concluded that the leader who flattered the communication hierarchy was more likely to achieve shared vision.

Kiyomiya (2000), studied the national cultures and the complex contexts of Japanese multinational organizations (MNOs) in US. The objectives of this study were to quantitatively analyze the cognitive and behavioral dimensions of communication between these two cultural groups and identify distinctive patterns of organizational communication in terms of MNO's effectiveness. Results about communication frames (N= 152) and ingroup-outgroup communication contradict expectation of cross - cultural stereotype. These results imply that convergence in communication frame and communicative interaction was a key to success in MNO's and increased out-group communication was crucial to enhance communicative convergence and increase the effectiveness of MNO's.

Ford (2000) in his study tested the hypothesis that the way state health department leaders addressed the strategic issues they faced was closely related to the organizational configuration of the agencies they managed. Twenty nine state health

departments comprised their sample of agencies studied. The basic organizational configuration were determined by using cluster analysis based on variables developed by Miller and Friesen (1984) Five distant organizational configuration emerged. The management concepts used by state health departments in their public communication were then content analyzed. Based on the average frequency of key word usage, the same cluster analysis technique was used to group the 29 leaders into five sub groups. A cross-level model was developed and used to explore the relationship between healthy agency configuration and their leaders communication patterns. The study's major findings were that meaningful configurations of both agencies and leaders could be established. Second, the agency leaders studied apparently lacked a common managerial lexicon, which may have contributed to the lack of correlation between communication and the two sets of configurations.

A quasi-experimental, 2x2x4 design study by Massey (2001) tested the hypothesis that (a) organizations that produce consistent crisis responses across stakeholders will enhance their legitimacy, while organizations that produce inconsistent crisis response will reduce theirs; (b) generalists organizations are perceived as being more legitimate than specialist organizations; and (c) when combined, niche-width and crisis-response consistency will produce differing effects on organizational legitimacy. Materials was gathered from actual crisis situations events in the US airline industry to serve as the basis for crisis response messages. The results of the investigation supported all the hypotheses cited above.

Empirical findings of a study by Peng et al (2001) on strategy implementation within the organizational setting of UK public limited company (With a diversified business portfolio which was in the process of implementing a strategic initiative yield management) revealed that communication was pervasive in every aspect of strategy implementation. Further, the analysis showed that the communication found to be useful in understanding of distribution of decision making authority and power and the consequential influence on strategy implementation in multi-unit organizations with a great range of vertical and horizontal relationships. The power of organizational structure in shaping formal communications by creating channels and erecting barriers to the free flow of information had both positive and negative effects on the strategy implementation processes.

Appelbaum (2003) in a case study of a Telecommunication company reported the emergency stopgap measures undertaken by industry giant Tele Link to counteract downward market trends and the ensuing problems caused by its efficiency

programme not being managed effectively, resulting in lingering and negative impact on surviving employees' behaviors and attitudes demonstrated by decreases in productivity, motivation, emotional health, job satisfaction, and confidence in management as well as increases in absenteeism. The findings indicated that Tele-Link was unprepared to handle the inevitable pre-announcement rumor mill and was forced to present cutback prematurely, lengthening from the period of time from announcement to implementation and fueling anxiety at the time. Though Tele-Link's handling of the programme was well rated, it did concentrate almost entirely on the 'during' phase with no formal plans to help survivors mourn or adjust to new circumstances. The findings highlighted that the power of informal communication in this case the 'rumor mill' should not be underestimated and management should not overestimate their own ability to control it.

Nguyen (2005), focused on the relationship between effective managerial communication and leadership skills and employees' sense of empowerment and job satisfaction. This research paper presented a framework for identifying key factors to employees' empowerment and job satisfaction. The study was conducted with 42 technology workers in the Silicon Valley from five diverse companies. The results suggested significant correlation between measured variables. The results also suggest that effective managerial communication and leadership skills were important to the retention of technology workers.

On the basis of review of the literature on organizational communication and organizational effectiveness, the following major conclusions can be drawn.

- Nature and types of communication may vary in different types of organization.
- Communication (formal and informal; external and internal etc.) plays an important role in organizations especially during crisis.
- Information and communication technologies have been integrated in communication processes in organizations and it has improved communication within and outside the organizations.
- Organizational effectiveness is a multi-dimensional concept. There are number of variables or factors (leadership style, organizational structure, planning, job satisfaction, organizational culture etc.) that contribute to the organizational effectiveness and these will vary from industry to industry.
- Communication in the organization has an effect on leadership styles, employee's morale, job performance, job satisfaction and managing relationship etc.

- The formal organization was perceived to be more valuable by the employees in satisfying their needs as compared to informal organization.
- Barriers to communication (downward, upward and horizontal) reduce effectiveness of organizational communication and in turn adversely affect organizational effectiveness.

A few studies have been undertaken in the Indian context leaving much scope for further research.

## **2.9 Hypotheses:**

On the basis of review of research literature, the following hypotheses were formulated for the present study.

- There exist significant positive relationship between the organizational communication with respect to its dimensions namely downward, upward and horizontal communication and organizational effectiveness.
- There exist significant differences between the extreme groups on organizational effectiveness with regard to organizational communication and its dimensions namely downward, upward and horizontal communication in the automotive industry.
- The state has a significant effect on the organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry.
- The levels of management has a significant effect on the organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry
- There is a significant interactional effect of the state and the levels of management on the organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry.

## Chapter 3

### METHODS AND PROCEDURES

The present chapter deals with the design of the study. It describes the sample, tools and construction of tool for organizational effectiveness, procedure for data collection and statistical techniques used for data analysis.

#### 3.1 Research Design

The objectives of the study were to determine the nature of organizational communication, compare the effectiveness of organizational communication in the automotive industry of Haryana and Punjab, to study the differences among the perceptions of personnel at different management levels regarding effectiveness of organizational communication with respect to its dimensions and also to study interactional effect of state and levels of management on perceived effectiveness of organizational communication in the automotive industry. Thus survey research design was used to undertake the study.

#### 3.6 Sample

Sample for the study consisted of 631 personnel working at three different management levels (top, middle and lower) from six large-scale automotive firms three each from the states of Punjab and Haryana. Sample was selected in two stages. Initially, a sample of six large-scale automotive manufacturing firms from Punjab and Haryana were selected on the basis of the following criteria as shown in table 3.

Table 3.1: Criteria for selection of Firms

Parameter	Criterion
Turn over	1bn
Number of Employees	Equal to or more than 500
Product	Automobile / automobile parts

The large scale manufacturing firms were preferred to small and medium size manufacturing firms, as most of the large scale firms were able to sustain or survive in the highly competitive open markets after the opening up of Indian economy in 1991. The medium and the small-scale firms found themselves out of synchronization with the world industry. India being a vast country the author confined the study to the region where she works, viz states of Punjab and Haryana in North India, which is an area as large as France. Since automotive

industry is a major industry in this region, it is reasonable to assume that this large industrial sector provides a significant sample of industrial organisations in India. Lists of large-scale automotive firms in Punjab and Haryana were obtained from the industry departments of respective states. The total number of automotive industry in Punjab and Haryana were 14 and 32 respectively. However only three automotive firms in Punjab and 19 firms in Haryana fulfilled the criteria as detailed in table 3.1. A large number of automotive manufacturing firms approximately nineteen (19) were found to be concentrated in Gurgaon and Faridabad belt in the state of Haryana. These firms were contacted, but only three firms agreed to participate in the study. Six automotive manufacturing firms thus selected for the study are given in Table 3.2.

Table 3.2: Automotive Firms selected for the Study

SN	Name of the Firms	Employees strength	Product	Annual turnover
1	Goetze India Ltd (GIL)	2500	Piston rings, cylinder liner, light alloy	3bn
2	Punjab Tractor limited (PTL)	1500	Tractor	6bn
3	Swaraj Mazda (SM)	600	Tractor	5bn
4	Maruti Udyog Ltd. (MUL)	3400	Passenger cars	9315*mn
5	Hero Honda (HH)	3888	Motorcycles	5832 mn
6	Sunbeam Auto Ltd (SAL)	1100	Internal combustion for auto engines Automotive parts	6bn

Source: CII Directory North Region (2004-05)

Since these were large firms, the workforce was national in nature (from all over India), with a local bias normally mandated by the state because of political reasons. The top management composition is normally more national in character, compared to middle and lower management, to enable better co-ordination among employees from different cultures and work environment.

These companies are governed by different state legislations, have different predominant religions, languages and cultures. They compete against each other in the process of industrialization. These states have different political, economic, and social compulsions. There are many large scale automotive manufactures in both states that provided opportunity to select an appropriate size to have statically significant results to study Communication effectiveness in an organization.

At the second stage of sampling, a stratified proportionate random sample of 100 personnel working at three different management levels namely top, middle and lower management were selected from each of the six firms. Top management level comprised of personnel who were involved in policy, planning and decision making processes and it included Heads of Department and above, middle management consisted of assistant managers and above but the personnel below the rank of heads of departments and the lower management level comprised of assistant engineers, engineers and junior engineers. Table 3.3 depicts the actual strength and the proportion of the three management levels included in the sample for the study.

**Table 3.3 Sample Selected from Six Automotive Firms.**

Sr. No.	Name of the Firm	Top Management		Middle Management		Lower Management		Total Proportionate Sample	
		Actual strength	Proportionate Sample	Actual Strength	Proportionate Sample	Actual Strength	Proportionate Sample	Total Sample	Actual sample taken
1.	GIL	39	10	75	25	200	65	100	100
2.	PTL	10	03	150	42	200	55	100	107
3.	SM	13	5	64	24	183	71	100	105
4.	MUL	16	02	340	39	510	59	100	108
5.	HH	14	3	273	41	373	56	100	107
6.	SAL	25	6	160	38	240	56	100	104
<b>Total Samples</b>		<b>117</b>	<b>29</b>	<b>1062</b>	<b>209</b>	<b>1706</b>	<b>362</b>	<b>600</b>	<b>631</b>

However, due to inadequate number of personnel at top management level, it was decided to take at least ten personnel from the top management levels of each firm to give due representation in the sample. Thus, the final sample comprised of 631 personnel (Top Management-60; Middle Management-209; Lower Management-362) at different management levels working in six large-scale automotive firms (three each from Punjab and Haryana).

### 3.7 Tools Used

As the study involved determining effectiveness of organizational communication and organizational effectiveness in the automotive firms, following two tools were used:

- Organizational Communication Scale (Gayatri, 2001)
- Organizational Effectiveness Scale (developed by the researcher)

#### 3.7.1 Organizational Communication Scale

Gayarthri, (2001), developed Organizational Communication Scale to measure internal operational formal communication in textile organizations in Indian setting.

The scale consists of 63 items measuring three dimensions namely downward, upward and horizontal communication.

**(a) Downward Communication** refers to the communication from higher position in the organizational hierarchy to a lower position. The scale for downward communication consists of twenty-six items having four (4) negative items and twenty-two (22) positive items and covers following six parameters namely:

- g) Communication about task direction
- h) Communicating the rationale behind the tasks being performed
- i) Communicating feedback about one's performance
- j) Using multiple channels of communication
- k) Repeating important communication
- l) Bypassing formal communication channels whenever necessary

**(b) Upward communication** refers to communication from lower levels of organizational hierarchy to the higher levels. Twenty-five items of upward communication scale has fourteen (14) negative items and eleven (11) positive items covering the following aspects:

- f) Screening of information to avoid information overload
- g) Free and easy exchange of communication
- h) Distortion proof information
- i) Higher official ability to sensitize themselves to detect bias and avoid distorted communication
- j) Spontaneity of communication by reduced status barriers

**(c) Horizontal communication** refers to the communication between the positions at the same levels of organizational hierarchy. There are twelve items having two (02) items as negative and ten items as positive measuring following two parameters:

- c) Task coordination, and
- d) Problem solving

The scoring for communication scale is done on the 5 point scale that is 5 (strongly agree), 4 (agree) 3 (indifferent) 2 (disagree) 1 (strongly disagree). For negative items

like 3, 4, 19, 26, 29, 30, 32, 33, 34, 36, 37, 40, 42, 46, 48, 49, 50, 55, 60, the scoring is reversed

### **Construct Validity**

For construct validity, item-difficulty and discrimination index were calculated. The values of item-difficulty for three subscales range between .42-.68; .40-.63; 0.40-0.57 respectively and discrimination index for three subscales range between 0.21-0.58; 0.27-0.92 and 0.73-0.86 respectively.

Further the inter item correlation for all the scales of downward, upward and horizontal communication are positive and significant. Coefficients Cronbach Alpha for downward, upward and horizontal communication are 0.77, 0.92 and 0.95 respectively. As the scale of organizational communication is highly reliable and valid and has been developed and used in the Indian context by Gaytri (2001), it was found fit for use in the present study. The copy of the scale is given in the annexure 1.

### **3.7.2 Organizational Effectiveness Scale and Its Development**

The effectiveness of an organization is generally gauged by the objective indicators-profit, production rate, turnover, etc. and behavioral or subjective indicators-employee satisfaction, quality of work life, leadership style etc. These two distinctive approaches possess their own strength and weaknesses. Objective or tangible indicators are quantifiable and provide a valid base for inter organizational comparisons and evaluation over the time period (Sayeed, 1980). Subjective indicators influence the behaviors of the individual in the organizations who determine its survival, growth and performance and most importantly facilitate comparisons between organizations (Reddy and Gayatri, 2000). Further pointing out the advantages of subjective indicators over objective indicators, Sayeed (1992) observed that subjective indicators were relatively less susceptible to environmental variations as seen in the case of tangible or economical indicators.

There are various studies as discussed in review of literature (chapter two), which have used subjective indicators. For example, organizational structure (Reddy and Gayatri, 2000; Srivastava and Ghadially, ; Reif et al, 1973; Smith & Gannon, 1987; Leadership style (Chien, 1992; Smith & Gannon, 1987; Wilhelm, 1993; Verma & Jain, 1996) Communication (Peng et al, 2003; Daly et al, 2003; Muchinsky, 1977; Reddy & Gayatri, 2000, Job-satisfaction(Nobbie, 2005; chinsky, 1977; Srivastava, 1979; Hariharan & Ganesan, 1999; Kilman & Herdle, 1976); Organizational culture (Chien,

1992; Daly et al, 2003, planning (Organizational effectiveness survey, 2004; Ogunrinde, 2001; Smith & Gannon, 1987; Organizational learning (Smith & Gannon, 1987; Truran, 2001); Information technology (Goyal & Malik, 2003; Banwet, 1999); Organizational climate (Gayatri, 2001; Hariharan & Ganesan, 1994; Muchinsky, 1977) Performance measurement & rewards (Shaw et al, 2002; Vandenberg, 1999); Organizational effectiveness survey, 2004); Adaptability and organizational excellence & learning (Sayeed, 1991; Chien, 1992).

Thus for the present study perceptions of employees regarding effectiveness of five dimensions namely planning, organizational structure, organizational culture, communication and information technology and outcome were identified as the basis for measuring organizational effectiveness. These five dimensions were adapted from the Kids Count Self Assessment Tool (2003). Two dimensions of Kids Count Self Assessment Tool (2003) namely finance and accountability and funds raising were however excluded, as they were not found relevant to the context. Hence the major dimensions retained in the scale included.

- f) Planning
- g) Organizational structure
- h) Organizational culture
- i) Communication and Information technology
- j) Outcome

The definition of these dimensions and some of their characteristics (as identified by Kids Brown self-assessment tool, 2003) are given below:

**(a) Planning** refers to that establishes objectives and road maps necessary for all group efforts (Terry, 1978). Planning includes vision, mission, strategic plan and annual operational plan. Characteristics of effective planning are:

- i) Vision should inform what the organization aspires to be in future
- j) It should inspire and motivate staff and board
- k) It should provide contexts for strategic planning
- l) Mission should be short, clear, concise and broad
- m) It should provide basis for developing goals and objectives

- n) It should be reviewed annually and be part of ongoing planning process
- o) Strategic Plan should evaluate its progress annually and be updated
- p) Annual operating plan should provide an annual action plan with steps and time line.

**(b) Organizational structure**, according to, McShane (2005) refers to, “division of labor as well as pattern of coordination, communication, workflow, and formal power that direct organizational activities.” Organizational structure deals with vast areas of activities related to the following and some of the characteristics of the effective organizational structure are:

- **Governance-board of directors** should be committed and supportive. It should have clarity of role and responsibilities
- **Staff leadership** should maintain staff commitments, satisfaction and high performance. It should conduct business in an open and inclusive manner
- **Staff structure** should believe the mission and work of the organization. Performance should be reviewed (providing constructive feedback) and rewarded. Training should be appropriate Policies and procedures should be formalized

**(c) Organizational Culture** has been defined as “set of assumptions, beliefs, values, and norms that are shared by an organization’s members” (Charles O’ Reilly, 1989). Some of the characteristics of organizational culture of an effective organization are:

- Employees should be treated fairly and business should be conducted fairly
- Organization should be engaged in continuous improvement of internal processes
- Organizational culture should be consistent with all core values of the organization

**(d) Communication and Information Technology** refers to “transfer of information from one person to another person (Herschel, 1997) and the

information is shared through technology which provides new and dynamic channels like computer, voice-mail etc. for communication to take place in an organization. Some characteristics of effective system of communication and information technology are:

- There should be frequent interaction between seniors and subordinates.
- Transparency should exist in all organizational communication.
- Hardware and software should be appropriate and training should be provided as per the requirement

(e) **Outcomes** refer to performance measures in terms of achievement of organizational objectives/targets. Effective outcomes according to Kids Brown self-assessment tool (2003) are:

- Satisfaction of employees and clients
- There should be high morale among the employees
- Organization should enjoy good reputation.

On the basis of identified dimensions and characteristics enlisted above, a set of ninety-five items were written covering all the five major dimensions of organizational effectiveness. Dimension- wise break-up of item is given in Table 3.4.

**Table 3.4: Dimension wise Distribution of Items**

<b>Dimension</b>	<b>Item No</b>
Planning	1-12
Organizational structure	13-56
Organizational Culture	57-71
Communication & Information Technology	72-81
Outcome	82-95

### **Preliminary Editing**

First draft of the scale consisting of ninety-five items, covering five dimensions of organizational effectiveness was provided to fifteen experts including academicians, managers from automotive firms, researchers and management consultants. They were requested to scrutinize the items and check their relevance and conformity to the concept of organizational effectiveness with respect to its dimensions and were also asked to see whether

the items measured adequately the dimensions they represented. They were also requested to check appropriateness of wording, grammatical corrections, formatting of sentences in the scale. In addition, they were requested to feel free to modify, add, or delete any number of statements, as they found fit. On the basis of the suggestions provided by the panelists, the following eight items, which were found to be ambiguous, irrelevant and repetitive in nature, were deleted from the scale:

- i) A written annual action plan with specific goals and objectives to achieve its mission is circulated to all
- j) The members on our board are expert in their own areas
- k) Compensation is primarily the reasons for working in the organization.
- l) The compensation plan of the organization rewards high performance
- m) Good results are well rewarded
- n) We change the way we do the business in response to our customer needs
- o) Excellent Customer service is extremely important to us.
- p) Internet is extensively used in day-to-day management

In addition, modifications in the following four statements were suggested so as to enable the respondents to understand the meaning clearly. Therefore, changes in the following statements were made to facilitate correct response (Table 3.5).

Table 3.5: The items modified in the Scale

<b>SN</b>	<b>Items</b>	<b>Items modified</b>
1	Organization provide a clear statement of what the organization aspires to be in future	The vision statement of the organization clearly states what the organization would be in future.
2	Vision and mission statement of organization is circulated in writing to all	All the employees are knowledgeable about the vision and mission of the organization
3	The Board of Directors provide ongoing support and motivation to its employees	The Board of Directors supports organization's policy

4	Both men and women are provided opportunities to grow with an organization	Equal opportunities are provided both to men and women to grow within an organization
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Finally, with the deletion of eight items, ninety-five items scale was reduced to eighty-seven items scale measuring five dimensions of the organizational effectiveness. The number of items retained in each of the five dimensions were eleven (planning); forty-one (organizational structure); seventeen (organizational culture); eleven (communication and information technology) and seven (outcome). Thus the final scale for measuring organizational effectiveness having five dimensions consisted of eighty seven (87) items. A copy of the scale is given in Annexure 1.

For validation of the tool, the items were rated by fourteen academicians and fourteen managers from automotive industry on a three point rating scale namely (1) most relevant (2) relevant (3) least relevant. Kendall's Coefficient of Concordance was used to check the extent of agreement between the academicians and the managers. Value of chi square (132.20) was found to be significant at .01 levels indicating that there was an agreement between the academicians and the managers from the industry confirming that the items were representative of the organizational effectiveness and measured what these were intended to measure.

#### **Item Analysis and Reliability of the Scale**

The 87 items scale was then administered to hundred managers (top management=15; middle management=15; lower management=43) working at different hierarchical levels in the six different automotive firms to check the reliability of the tool. The respondents were requested to indicate their extent of agreement with the statements that was how far the statements were true in their respective organizations on a five point rating scale namely strongly agree; agree; Indifferent; disagree and strongly disagree. Seventy-three filled in Organizational Effectiveness Scales were received. A score of 5, 4, 3, 2, 1 were assigned to calculate the total score of an individual on organizational effectiveness.

To ascertain the reliability of the scale, item-item correlation, item-total correlations and Coefficient Cronbach Alpha were calculated.

### Item- Item Correlation

To test the internal consistency of the scale, item- item correlations were computed. 7569 correlations were obtained. Item-item correlation for organizational effectiveness ranged between 0.40 and 1.00. Analysis of the inter-item correlations revealed that 54.44% of correlations lie between .4-.6, 41.05% between .6-.8, and 3.79% between 0 .8 and above. According to Robinson et al (1991) item-item correlations of 0.3 or above are acceptable. Therefore internal consistency was found to be high shown in the Table 3.6.

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### Item-Total Correlations

Item-total correlations for eighty-seven items scale ranged between 0.40 – 0.80 except for one item namely 38 for which item-total correlations were found to be 0.267 only. As the item-total correlation for this item was found to be approaching .30 and the item was relevant, it was retained in the scale and shown in the Table 3.7.

**Table 3.7: Correlation between Item - Total Score**

ITEM NO.	VALUES	ITEM NO.	VALUES
45.	0.494	45.	0.556
46.	0.627	46.	0.535
47.	0.730	47.	0.618
48.	0.595	48.	0.647
49.	0.625	49.	0.657
50.	0.634	50.	0.576
51.	0.544	51.	0.533
52.	0.783	52.	0.577

ITEM NO.	VALUES	ITEM NO.	VALUES
53.	0.811	53.	0.597
54.	0.838	54.	0.538
55.	0.789	55.	0.547
56.	0.694	56.	0.493
57.	0.628	57.	0.567
58.	0.647	58.	0.519
59.	0.751	59.	0.645
60.	0.633	60.	0.501
61.	0.738	61.	0.680
62.	0.566	62.	0.711
63.	0.558	63.	0.729
64.	0.781	64.	0.699
65.	0.799	65.	0.647
66.	0.672	66.	0.550
67.	0.472	67.	0.638
68.	0.460	68.	0.603
69.	0.404	69.	0.646
70.	0.586	70.	0.705
71.	0.573	71.	0.688
72.	0.522	72.	0.723
73.	0.688	73.	0.716
74.	0.503	74.	0.363
75.	0.772	75.	0.577
76.	0.803	76.	0.545
77.	0.663	77.	0.620
78.	0.632	78.	0.666
79.	0.644	79.	0.740
80.	0.541	80.	0.618
81.	0.758	81.	0.465
82.	0.267	82.	0.573
83.	0.506	83.	0.713
84.	0.521	84.	0.752
85.	0.581	85.	0.406
86.	0.467	86.	0.570
87.	0.621	87.	0.716
88.	0.459		

### Inter-Correlation among Dimensions of Organizational Effectiveness

Table3.6 shows the inter correlations among the five dimensions of organizational effectiveness scale namely planning, organizational structure, organizational culture, communication and information technology and outcome.

**Table 3.8: Inter-correlations among five dimensions of Organizational effectiveness.**

Dimensions of Organizational Effectiveness	Planning (D1)	Organizational Structure (D2)	Organizational Culture (D3)	Communication and Information Technology (D4)	Outcome (D5)
Planning	1				
Organizational Structure	.88	1			
Organizational Culture	.80	.85	1		
Communication & Information Technology	.86	.92	.85	1	
Outcome	.79	.80	.81	.78	1

Inter-correlations among the five dimensions ranged between .78 to .92 indicating all dimensions measure organizational effectiveness.

### **Coefficient Cronbach Alpha**

Further to determine the internal consistency of the scale, Coefficient Cronbach Alpha were calculated for the total sample and for different management levels as depicted in the table 3.7:

**Table 3.9: Coefficient Cronbach Alpha**

Category	Coefficient Cronbach Alpha
Top management	0.98
Middle management	0.83
Lower management	0.99
Total management	0.99

The values of Coefficients Cronbach Alpha for the three management levels and the total sample were found to be high and ranged between 0.83 and 0.99. Thus the scale was found to have high internal consistency and considered to be reliable.

### **3.8 Collection of the Data**

The data was personally collected from the six automotive firms (three in Haryana and three in Punjab) selected for the study. Scales on organizational communication

and organizational effectiveness were then administered to the managers from the top, middle and lower management levels. Before administration of the scales, the purpose and importance of the study were explained to the personnel and they were requested to cooperate by providing their free and frank opinions through the given scales. They were assured of complete confidentiality of their perceptions.

**A total of 631 scales were given to six firms and a total of 538 (85%) filled in scales were received. The following table shows the number of filled in scales received from personnel working at three management levels from six automotive firms:**

**Table 3.10 Number of Scales Given and Received**

Sr. No	Name of the Industry	Top Management		Middle Management		Lower Management		Total
		Given Forms	Received Forms	Given Forms	Received forms	Given Forms	Received forms	
1.	Goetze India Ltd.	10	10	25	25	65	65	100
2.	Punjab Tractors Ltd.	10	05	39	39	51	49	93
3.	Swaraj Mazda	10	05	23	21	67	54	80
4.	Maruti Udyog Ltd.	10	08	36	34	54	52	94
5.	Hero Honda	10	05	38	38	51	44	86
6.	Sunbeam	10	10	36	28	54	46	85
<b>Total Samples</b>			<b>43</b>		<b>185</b>		<b>310</b>	<b>538</b>

### **3.9 Statistical Techniques used**

The following statistical techniques were used to test the hypotheses formulated for the study.

### **3.5.2. Descriptive statistics**

Mean median, standard deviation, skewness and Kurtosis for all the dimensions of both the scales on organizational communication and organizational effectiveness were obtained to ascertain the nature of distribution of scores.

### **3.5.3. Inferential statistics:**

5. Product moment correlations were calculated to determine the extent of the relationships between various dimensions of organizational communication and organizational effectiveness
6. t-ratios were used to study significance of differences between means of extreme groups high and low on organizational effectiveness with respect to organizational communication and its dimensions.
7. 2x3 ANOVA was applied to study the main effect of state and management levels and the interactional effect of these variables on the perceptions regarding effectiveness of organizational communication in Indian Automotive Industry.
8. Wherever F was found to be significant, t-ratios were worked out to find out the differences between means of various groups.

## Chapter 4

### ANALYSIS OF DATA AND RESULTS

#### 4.2 Introduction

In accordance with the objectives and hypotheses formulated for the study, data analysis was carried out. Descriptive statistics – mean, standard deviation, and standard error of mean, skewness and kurtosis were calculated for the scores on organizational communication and its three dimensions and organizational effectiveness to study the nature of distribution of scores. Correlations were calculated between the scores of organizational effectiveness and organizational communication and its dimensions to study the relationship between the two variables. t-ratios were computed to study the difference between mean scores on organizational communication of extreme groups (top and bottom 27%) on organizational effectiveness. In addition 2X 3 ANOVA was used to study the main effect of state and levels of management as well as their interactional effect on organizational communication and its dimensions. Further t-ratios were calculated to study the significance of differences between the means.

The analysis of the data and results are discussed under the following main headings:

- Nature of distribution of scores.
- Nature of communication in Automotive Industry
- Relationship between effectiveness of organizational communication and organizational effectiveness
- Extreme group comparison
- 2 × 3 Analysis of Variance

#### 4.5 Nature of Distribution of Scores

In order to study the nature of distribution of scores on organizational effectiveness and organizational communication, descriptive statistics namely mean, standard deviation, standard error of mean, skewness, and kurtosis were calculated and are given in Table 4.1.

**Table 4.1: Mean, Standard Deviation, Standard Error of Mean for Organizational Communication, its Dimensions and Organizational Effectiveness Scores**

Variable	Mean	SD	SE <sub>M</sub>	Skewness	Kurtosis
Downward Communication	58.539	10.821	0.467	0.248	4.440
Upward communication	71.217	9.760	0.421	0.223	3.423
Horizontal Communication	27.900	5.581	0.241	0.312	4.197
Overall Organizational Communication	157.656	22.523	0.971	0.274	4.077
Organizational Effectiveness	192.550	46.615	2.010	0.213	3.927

Kurtosis significant at.01 level range: .282-.808

Skewness significant at.01 level, range:  $\pm$ .272

Kurtosis significant at.05 level range:

Skewness significant at.05 level, range:

Mean scores for various dimensions of organizational communication namely downward, upward and horizontal communication ranged between 27.90 to 71.22 and standard deviation between 5.58 to 10.82. The values of skewness for three dimensions- downward, upward and horizontal communication were found to be 0.24, 0.22, and 0.31 respectively. The values of skewness for downward and upward communication did not exceed  $\pm$  0.272, the acceptable limits at.01 level of significance (Snedecor and Cochran, 1959). The distribution was thus considered to be normal. However, score distribution for horizontal communication was found to be significantly positively skewed.

The mean score and Standard Deviation for overall organizational communication was found to be 157.65 and 22.52 respectively. The value of skewness (0.27) for organizational communication did not exceed the acceptable limits of skewness  $\pm$ 0.272, at.01 level of significance (Snedecor and Cochran, 1959).

The value of kurtosis for downward, upward, and horizontal and overall organizational communication ranged between 3.422 to 4.442. The values of kurtosis exceeded the acceptable limits of kurtosis at.01 level of significance i.e..282-.808. The curve was found to be leptokurtic.

The mean score and Standard Deviation for organizational effectiveness were 192.55 and 46.61 respectively. The value of skewness for organizational

effectiveness was found to be 0.21, not exceeding  $\pm 0.272$ , the acceptable limits at.01 level of significance. The distribution was thus considered to be normal.

The value of kurtosis for overall organizational effectiveness was found to be 3.92 thus exceeding the acceptable limits of kurtosis at.01 level of significance i.e..282-.808. Hence the curve was found to be leptokurtic.

#### 4.6 Nature of Communication in Automotive Industry of Punjab and Haryana

In this section, the nature of downward, upward and horizontal communication as perceived by the personnel working at three management levels in the automotive industry of Punjab and Haryana are discussed.

##### 4.6.1 Nature of Downward Communication

Table 4.2 shows the percentage of personnel who agreed or disagreed with the various statements on a five-point scale for downward communication.

**Table 4.2: Nature of Downward Communication**

S.No.	Statement	SA	A	I	D	SD
64.	Appropriate job instructions are given to employees	28.8	59.9	3.9	6.9	.6
65.	Through communication, the employees in this organization know what is expected out of their jobs.	20.8	62.3	6.9	9.7	.4
66.	Occasionally we find it difficult to understand job instructions	7.6	28.4	19.9	39.2	4.8
67.	There are occasions when the employees got confused with their job instructions	6.3	34	19.1	32	8.6
68.	Job instructions are precise and clear	17.5	53.7	12.5	15.1	1.3
69.	The employees are kept informed about the importance of their contribution.	19.0	47.4	14.7	17.7	1.3
70.	Organizational requirements are met by explaining the rationale behind the task	15.4	50	16.5	16.2	1.9
71.	The role of every employee is equally important for organizational functioning	36.2	42.8	5.9	13.2	1.9
72.	The more an employee understands his job the easier it is to achieve goals/targets	48.9	42.2	4.3	3.9	.7

S.No.	Statement	SA	A	I	D	SD
73.	Communication helps in understanding 'what and why' a job is being done	43.5	46.1	4.3	5.4	.7
74.	Appropriate performance feedbacks are communicated to the employees	17.1	53.7	11.7	16	1.5
75.	Knowledge of performance level helps improve skills	34	50	8.6	6.7	.7
76.	Suggestions help in improving task performance	35.9	54.3	5	4.3	.6
77.	Feedback enhances the quality of performance	36.1	50.2	8.2	4.3	1.3
78.	Performance appraisals keep the employees' on target	28.6	55	8.4	7.4	.6
79.	Multiple channels of communication (written, circulars, notice boards, verbal simultaneously) increase the chances of the communication being received	24.5	56.1	8.4	10.4	.6
80.	Using various channels reduces the ambiguity of information	16.9	55	14.1	13	.9
81.	Communicating through various channels facilitates accuracy	20.8	48.9	15.4	13.9	.9
82.	Multiple communication channels occasionally cause confusion	8.2	45.7	14.5	28.4	3.2
83.	Repeated message signifies importance	24.5	50.9	12.5	10.8	1.3
84.	Important communication are repeated to ensure accuracy	24.5	50.9	12.5	10.8	1.3
85.	Repeated messages are intended to ensure that it is correctly received and understood	17.8	59.1	11.5	11.3	.2
86.	When message is not clear formal channels of communication are bypassed	7.6	55.2	16.5	19.9	.8
87.	Sometimes bypassing formal communication channels saves time	3.7	56.9	14.1	23.8	1.5
88.	Direct communication is always more effective	45.7	43.5	4.6	5.4	.7
89.	Bypassing formal communication channels	7.6	44.1	13	32.7	2.6

S.No.	Statement	SA	A	I	D	SD
	cause confusion about 'who is the real boss					

(SA=Strongly agree, A=Agree; I=Indifferent, D=Disagree; SD=Strongly disagree)

Personnel ranging between 60.6% to 91.1% agreed with the statements 1, 2, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 20, 21, 22, 23, 24, and 25 and the personnel ranging between 4.6 % to 24.5% expressed their disagreement and 3.9% to 16.5% of personnel were found to be indifferent to these statements.

As is evident from Table 4.2 majority of the personnel at three management levels in the automotive industry were of the opinion that job instructions given to employees were appropriate (88.7%), precise and clear (71.2%), rationale behind the task was explained (65.4%) and as a result, employees could understand what was expected out of their jobs (89.6%), and this understanding helped them in achieving organizational goals and targets (91.1%). They further opined that employees were kept informed about the importance of their contribution (66.4%); appropriate performance feedback was communicated to the employees (70.8%), which helped them in improving the quality of their skills (85%) and thereby their performance (90.2%). It was further observed that multiple channels of communication like written, circulars; notice boards etc. were used (80.6%) in their organizations to reduce the ambiguity of information (71.9%) and facilitate accuracy (75.4%). Important messages were repeated and when information was not clear, one could bypass formal channels (62.8%), which sometimes saved time (60.6%).

Most of the personnel (44 %) disagreed with the statement that it was difficult for them to understand job instructions occasionally, only 36% personnel agreed with the statement. Equal percentage of personnel (40.3% and 40.6%) agreed and disagreed with the statement that on certain occasions, they got confused with their job instructions, while as the response of 19% of the personnel was indifferent.

However, few barriers to the downward communication were identified by the personnel as shown in the Table 4.2. Majority of the personnel agreed that use of multiple communication channels occasionally caused confusion (53.9 %) and bypassing of formal communication channels also led to confusion regarding the real boss (51.7%). It can be said that the personnel preferred information to flow through the proper channels. However the personnel ranging between 31.6% and 35.3%disagreed with these two statements and 13% and 14% of the personnel were indifferent. The findings by Minsky and Marin (2001) and Sullivan (1996) showed that

employees' preferences for communication channels vary according to the type of communication task undertaken, thereby lending partial support to the findings of the present study. However, a study by Reif et al (1973) fully supports the findings of the present study that the formal organization was perceived to be more valuable by the employees in satisfying their needs as compared to informal organization. From these findings, it can be concluded that majority of the personnel at three management levels perceived downward communication in the automotive industry to be effective in terms of its characterization by desired features, except two major barriers namely the use of multiple channels and by passing of formal channels.

#### **4.6.2 Nature of Upward Communication**

Table 4.3 shows the percentage of personnel who agreed or disagreed with the various statements on a five-point scale for upward communication.

Personnel ranging between 60.2% to 81.3% were found to be in agreement with statements 27, 28, 31, 35, 38, 39, 41, 43, 44, 45, 47 and 51 the personnel ranging between 9.7% to 24.2% expressed their disagreement with these statements and 8% to 19.5% were found to be indifferent (Table 4.3).

In the perceptions of the majority of the personnel (Table 4.3) in the automotive industry of Punjab and Haryana, constructive opinions, suggestions, brought appreciation from superiors (81.3%) especially if they were substantiated by facts (80.7%). This is supported by the fact that 66.9% of personnel disagreed with the statement that their suggestions were not taken seriously. Higher ups were sensitive to the genuineness of complaints (71.7%) and complaints were acted upon rationally (66.5%) Delay in passing on the complaints was viewed seriously in their organizations (64.9%). They further opined that they did not fear any negative repercussions from higher ups (60.6%) while communicating with them. On the contrary they were encouraged to interact with them, which resulted in good understanding (72.9%) and thereby reducing status barriers (72.3%). It was felt by the personnel that the higher ups discouraged the practice of indiscriminate meddling of information (60.2%).

However, according to majority of the personnel ranging between 55% to 88.2%, a number of barriers to the upward communication (statements: 29, 30, 32, 33, 34, 36, 37, 40, 42, 46, 48, 49 and 50, Table 4.3) inhibited the free flow of upward communication. 6.1% to 37.7% personnel were however in disagreement with these items and 11.5% to 19.5% were found to be indifferent. Majority of the personnel felt

that there was a practice to filter the information especially the negative feedback, partly, in order to be in the good books of the superiors (45.7%), partly due to status barriers (55%). According to them, the repercussions of screening of the information at different levels were that, it reduced the intensity of information (64.9%), kept superiors in dark (56.5%), hindered the enthusiasm of the superiors to act (70.4%), and on occasions

**Table No 4.3 Nature of Upward Communication**

S.No.	Statement	SA	A	I	D	SD
90.	Opinions/Suggestions/Complaints offered are transmitted to the concerned persons without delay	14.9	50.7	15.6	16.9	1.9
91.	Upward messages are screened so that more relevant aspects receive attention	9.7	61.	17.1	11.9	.4
92.	Screening of information at different levels keeps superiors in dark	14.3	42.2	18.4	23.4	1.7
93.	On occasions, sheer volume of facts communicated stifles managerial effectiveness	9.3	56.5	19	14.9	.4
94.	Normally complaints are viewed positively	16.7	44.6	14.5	21.2	3.
95.	Keeping frequent contacts with higher-ups is viewed negatively by the work grouped members	10.2	36.8	18.4	31.2	3.3
96.	Communications with the higher officials will definitely have negative repercussions	6.5	15.2	17.7	54.5	6.1
97.	Suggestions from employees are not taken seriously	3.2	21.4	8.6	48.3	18.6
98.	There is a good understanding when communicating with higher ups	12.3	60.6	11.2	13.9	222 2
99.	Filtering of information by superiors delays remedial action	11.7	49.6	14.7	21.9	2
100.	Negative feedback often gets filtered out as it moves up the organizational hierarchy	8.9	41.3	19.5	26	4.3
101.	Constructive opinions/suggestions fetches appreciation	20.1	61.2	8.	10.2	.6
102.	Indiscriminate meddling of information is discouraged in this organization	10.6	49.6	19.5	20.1	.6
103.	Screening reduces the intensity of information	9.5	55.4	16.4	18.2	.6
104.	'Higher ups' are able to sensitize genuineness of opinions/ suggestions/ complaints	13	58.7	14.7	12.5	1.1
105.	Inability to attend genuine opinions/suggestions/complaints hampers functioning	17.1	56.1	11.9	14.3	.6
106.	Delay in passing on complaints is viewed seriously	13	51.9	17.7	16.7	.7
107.	Genuine grievances are acted upon immediately	11.2	61.5	12.5	12.6	2.2

108.	Complaints are acted upon rationally	8.9	57.6	18	14.7	.7
109.	On occasions distorted communications led to wrong actions	14.7	67.5	11.7	5.4	.7
110.	Report based on concrete instances facilitates acceptance of ideas/suggestions/opinions	22.1	58.6	9.7	8.2	1.5
111.	It is a practice to filter the information in order to be in the good books of the superiors	10.8	34.9	16.5	29.9	7.8
112.	Frequent distortion of information hinders the enthusiasm of the superiors to act	12.8	57.6	16.2	12.8	.6
113.	Status barriers are a hindrance for free flow of information across	12.6	42.4	11.5	31.6	1.9
114.	Frequent interactions along hierarchical lines reduces status barriers	21	51.3	12.5	13.9	1.3

(SA=Strongly agree, A=Agree; I=Indifferent, D=Disagree; SD=Strongly disagree)

distorted communications led to wrong actions (82.2%). 47% of the personnel expressed their apprehensions that the work group members viewed communication with higher ups negatively. The personnel opined that sometimes the managerial effectiveness got affected and functioning was hampered partly due to inability on the part of the superiors to attend to genuine suggestions \ complaint or opinions (73%) or partly due to sheer volume of facts communicated (65.8%).

Larson and King (1973) substantiate these findings that information is distorted and manipulated in organizations. There is a tendency for subordinates to send favorable information quickly and accurately to their superiors, while distorting or blocking unfavorable information. Smith and Keil (2003) found that losses are sometimes increased by the reluctance of organizational members to transmit negative information concerning a project and its status. Kumar (1994) revealed that in over-supervised and over-controlled organizations, employees avoid communications with their superiors because they think that the former wants to hear good things and not problems, superiors are only interested in compliance and hence the results are passive maladaptive organizational behavior. Rosen and Tesser (1975), Jablin (1979) name this practice as the MUM (minimize unpleasant messages) effect that refers to the tendency of subordinates in a given organization to try to create a favorable impression on their superiors by passing only pleasant information up through the organization. A major conclusion that emerges from the above findings is that albeit the superiors are found to be positive, sensitive and encouraging, yet there is a practice to filter the information especially the negative feedback, and the screening of the information adversely influenced the enthusiasm of the higher ups and sometimes lack of action on the suggestions or complaints hampers the functioning in the organization.

### 4.6.3 Nature of Horizontal Communication

Table 4.4 shows the percentage of personnel who agreed or disagreed with the various statements on a five-point scale for horizontal communication.

68.6% to 88.1% of the personnel agreed with the statement numbers 52, 53, 54, 56, 57, 58, 59, 61, 62 and 63 while personnel ranging from 6.5% to 19.3% disagreed and 5% to 12.1% showed indifference to these statements (Table 4.4).

Table 4.4 indicates that majority of the personnel agreed that in their view, mutual functional support and cooperation between departments was encouraged

**Table No 4.4 Nature of Horizontal Communication**

S.No	Statement	SA	A	I	D	SD
115.	Mutual exchanges between task group members help to develop interpersonal skills	24.2	63.9	5.4	5.2	1.3
116.	Horizontal interaction facilitates coordination	23.4	63.2	6.7	5	1.7
117.	Openness in communication across departments builds trust	31.6	54.1	5.9	6.9	1.5
118.	Maintaining departmental boundaries hinders judicious utilization of resources	14.5	59.5	10.4	13.9	1.7
119.	Discussions among task group members help to integrate and coordinate goal directed effort	25.1	60.6	5.8	8.4	.2
120.	Periodic meets between departments facilitate sharing of information	29.	56.1	5	9.9	
121.	Relevant information is usually shared between concerned departments	23	56.1	9.1	10.6	1.1
122.	Sharing of information and ideas between task group members improves efficiency	31	55	5.8	8	.2
123.	Interdepartmental meeting generate a 'they against us' attitude	7.6	33.6	14.9	35.7	8.2
124.	Cooperation rather than conflict between departments is encouraged	15.1	53.5	12.1	17.3	2
125.	Concealing of information useful to other departments is discouraged	11.9	39.8	14.5	30.3	3.5
126.	Mutual Functional support between departments is encouraged in this organization	19.5	51.5	12.5	14.1	2.4

(SA=strongly agree, A=Agree; I=Indifferent, D=Disagree; SD=strongly disagree)

(71% and 68.6%), Open communication and discussion across departments and among task group members helped in building trust (85.7%), in integrating and coordinating goal directed effort (85.7%), departments shared relevant information during periodic meets (85.1%), which improved their efficiency (86%).

However, 74% of the personnel opined that maintaining departmental boundaries hindered utilization of resources (Table 4.4) With the statement, that interdepartmental meeting generated a ‘they against us attitude’, 41.2 % agreed while 43.9% disagreed and 14.9% remained indifferent. The findings by Albaum(1964) and Schwitter (1965) lend partial support to findings of the present study that people in different departments often have differing goals and viewpoints which can lead to destructive conflicts thereby inhibit performance. The results thus unravel that in the perception of the personnel working at different levels of management in the automotive industry, the nature of horizontal communication was to a great extent found to be characterized by desirable characteristics except there was not judicious utilization of resources due to maintaining of departmental boundaries.

#### **4.7 Relationship between Perceived Effectiveness of Organizational Communication and Organizational Effectiveness**

The results of Pearson Product Moment correlations between scores on various dimensions of perceived effectiveness of organization communication namely, downward, upward, and horizontal communication and total score on perceived effectiveness of organizational communication and organizational effectiveness are given in Table 4.5

**Table 4.5 Correlations between Organizational Effectiveness and Organizational Communication and Its dimensions**

<b>Dimensions of OC</b>	<b>Correlation with OE total</b>
Downward communication	.67**
Upward communication	.62**
Horizontal communication	.56**
Communication overall	.73**
df:536 Table value for r significant at.01 Level**	=.115
significant at.05 Level*	=.088

All correlations between organizational effectiveness and organizational communication and its dimensions were found to be significant at .01 level. These results indicate that there exists significant positive correlation between perceived effectiveness of organizational communication and organizational effectiveness which implies that higher the perceived organizational communication, higher will be the perceived organizational effectiveness and vice-versa. The results are discussed below:

#### **4.4.1 Organizational Effectiveness and Downward Communication**

The correlation between organizational effectiveness and downward communication (.67, Table 4.5) was found to be significant at .01 level of significance indicating a significant positive relationship between organizational effectiveness and downward communication. This implies that higher the perceived effectiveness of organizations, higher will be the perceived effectiveness of downward communication and vice-versa. In organizations perceived to be effective, downward communication will be characterized by accuracy, timeliness, preciseness and clarity of information to subordinates, constructive feedback, use of different modes of communication, repetition of important messages. These findings are corroborated by the research findings of Kaufman et al (1994); Adams et.al (1995); Witherspoon et.al (1996); Stroh (2002); Appelbaum et al (2003). These studies focused on communicating effectively with external and internal audiences in crisis, especially employee communication. According to these researchers, at such times, organizational communication is one of the key factors in containing damage to the company's reputation and determining effectiveness. Kaufman et.al. (1994) suggested that a careful and right kind of communications from the management help organizations to survive the thorniest of the challenges. Witherspoon et.al. (1996) findings revealed that differential distribution of downward communication and inconsistent use of the potential of new communication technologies such as e-mail affected the functioning of the organization. Daly et.al. (2003) found that there was a strong relationship between efficacy of internal communication and change which was dependent upon a host of common and interdependent variables, communication being one of them. Appelbaum et.al (2003) highlighted that mis-management of communication strategies during organizational downsizing by the management led to a lingering and negative impact on surviving employees behavior and attitudes demonstrated by decrease in productivity, motivation, job satisfaction and increase in absenteeism

#### **4.5.4 Organizational Effectiveness and Upward Communication**

As is evident from the Table 4.5, there exists a significant positive relationship between organizational effectiveness and upward communication ( $r=62$ ). This implies that higher the perceived effectiveness of organization, higher will be the perceived effectiveness of upward communication and vice-versa. In organizations perceived to be highly effective, upward communication will be characterized by encouragement to the employees to express their opinions, suggestions, sharing all kinds of information with their superiors including the unpleasant messages, acceptance and appreciation of constructive opinions/suggestions from subordinates substantiated by concrete instances. These findings of the present study are supported by the findings of other research studies like Argente, 1976; Raj. (1991); Morley et.al. (1997); Kiyomiyan, (2000); Priyadarshani and Venkatpathy.(2003); Malik and Goyal. (2003). Studies by Raj (1991) and Kiyomiyan (2000), revealed that by adopting a system of constant communicative interactions led to successful functioning of State Bank of India and was a key to the success in multinational organizations respectively. Morley et.al. (1997) demonstrated that in the organizations where communication needs of the employees remained unmet led to low estimation of organizational effectiveness. Similarly, Priyadarshani and Venkatpathy (2003) found high correlation between two-way communication, productivity and decision-making. And the findings of some of the studies highlighted the negative impact lack of quality communication can have on the organizational effectiveness. For instance Malik and Goyal (2003) found that the low quality information received through e-mail from subordinates led to decline in organizational effectiveness. Hence it can be concluded, based on the findings of the present study that in the absence of effective upward communication, the effectiveness of organization also gets affected.

#### **4.5.5 Organizational Effectiveness and Horizontal Communication**

Table 4.5 shows that there is a significant positive relationship ( $r=.56$ ) between organizational effectiveness and horizontal communication. It can be interpreted that higher the perceived effectiveness of organization, the higher will be the perceived effectiveness of horizontal communication and vice-versa. In organizations perceived to be effective, horizontal communication will be characterized more by coordination, information sharing, and problem solving between departments, trusts across the departments, and openness in communication, constructive confrontation, and full expressions. The findings of the present study substantiate the findings of earlier studies on horizontal communication. Massey (1975) highlighted that well coordinated organizations achieve success because of the subtle, unplanned and often unconscious use of some type of automatic horizontal communication. Argente (1976) reported that successful companies use teams and collaborative work group to make fast decisions required to succeed in a global and competitive marketplace. Ghoshal et.al (1994)

found that interpersonal relationships developed through lateral networking mechanism such as joint work in teams, taskforces, and meetings have positive effect on inter and intra unit communication. Thus it can be concluded that there exist significant positive correlation between horizontal communication and organizational effectiveness.

#### **4.5.6 Organizational Effectiveness and Overall Organizational Communication**

A significant positive correlation ( $r=.73$ , table 4.5) was found between organizational effectiveness and overall organizational communication effectiveness implying that the higher the perceived organizational effectiveness the higher will be the effectiveness of overall organizational communication and vice versa. It can be inferred that the higher the perceived effectiveness of organizations, the higher will be the effectiveness of downward, upward and horizontal communication Earlier studies by Massey (1975); Muchinsky (1977); Roy (1990); Maloney (1993); Kumar (1994);Noone (1996); Pettit (1997) support the findings of the present study.

Thus the first hypothesis that there exists significant positive relationship between the perceived effectiveness of organization communications with respect to its dimensions namely downward, upward and horizontal communication and perceived organizational effectiveness stands accepted.

#### **4.6 Extreme Group Comparisons**

On the basis of organizational effectiveness scores, top 27% and bottom 27% groups were selected and extreme group comparisons were then made on the dimensions of organizational communication that is downward, upward and horizontal communication and its total score. Means and standard error of mean ( $SE_M$ ), of extreme groups (27% top and 27% bottom) and t-ratios are given in Table 4.6 and discussed below:

**Table 4.6: Extreme Group Comparisons on Organizational Communication Effectiveness and its Dimensions**

Variable	Mean		SE <sub>M</sub>		t-ratios
	High on OE	Low on OE	High on OE	Low on OE	
Downward Communication	67.29	49.12	0.90	0.59	16.74**
Upward Communication	79.11	65.54	0.76	0.56	14.42**
Horizontal Communication	32.32	24.47	0.48	0.28	14.04**
Overall Organizational Communication	178.73	139.15	1.70	0.96	20.17**

df=145, Table value of t at.01 level of Significance = 2.61

at.05 level of Significance = 1.98

Significant differences were found between extreme groups on organizational effectiveness for all dimensions of organizational communication and overall organizational communication scores as is evident from Table 4.6. In case of downward communication, mean score of top 27% (M=67.29, Table 4.6) was found to be significantly higher than the mean score of bottom 27% (M=49.12, Table 4.6) indicating that those who perceived their organizations to be effective (i.e. characterized by clarity of vision, mission statements in accordance with the vision, appropriate planning, structure, processes and integration of technology in communication and appropriate employee policies etc.), perceived downward communication to be more characterized by timeliness, preciseness and appropriateness of job instructions and feedback to the subordinates, achievement of targets and use of various channels to facilitate the reception of messages than those who perceived organizations to be less effective.

The mean score of top 27% (M=79.11, Table 4.6) for upward communication was found to be significantly higher than the mean score of bottom 27% (65.54, Table 4.6) indicating that those who perceived organizations to be highly effective perceived upward communication to be more characterized by two-way communication, sensitivity of the superiors to the suggestions and opinions of their subordinates, confidence of the subordinates to share all kinds of information including the unpleasant ones, than those who perceived organizations to be less effective.

Similarly, for horizontal communication, mean score of top 27% (M=32.32, Table 4.6) was found to be significantly higher than the bottom 27% (M=24.47, Table 4.6) Horizontal communication was perceived to be more effective in terms of transparency, openness, cooperation and sharing of relevant information between departments by those who perceived their organizations to be more effective (i.e. organizations with appropriate vision, mission, annual strategic planning, structure leadership, effective role of Board of Directors, quality product and customer service etc.) than those who perceived their organizations to be less effective.

In case of overall communication, mean score of top 27% (M=178.73, Table 4.6) was found to be significantly higher than bottom 27% (M=139.15, Table 4.6). This indicates that those who perceived their organizations highly effective also perceived the overall organizational communication to be more effective in terms of downward, upward and horizontal communication as compared to those who perceived their organizations to be less effective. The findings of the earlier studies by Farmer (1999); Priyadarshani and Venkatpathy (2003); Papadakis (2005); Morley et.al. (1997) lend support to the findings of the present study. The results of correlation between organizational effectiveness and organizational communication and its dimensions also lend support to the findings of the comparison of extreme groups.

Thus the second hypothesis that there exist significant differences between the extreme groups on perceived organizational effectiveness with regard to perceived effectiveness of organizational communication and its dimensions namely downward, upward and horizontal communication in the automotive industry stands accepted.

#### **4.6 2x3 ANOVA For Perceived Effectiveness of Organizational Communication**

To study the main effect of state, levels of management and their interactional effect on the perceived effectiveness of organizational communication and its dimensions, 2x3 ANOVA was applied and t-ratio were worked out wherever F was found to be significant. Summary of 2x3 ANOVA applied on downward, upward and horizontal and overall organizational communication scores is given in Table 4.7, 4.11, 4.15, and 4.19 respectively.

##### **4.6.1 2 x 3 Analysis of Variance for Downward Communication**

The results of computation for downward communication are summarized in Table 4.7

**Table 4.7: Summary of the 2 × 3 ANOVA for Downward Communication in Automotive Industry of Punjab and Haryana**

Sources of Variation	Sum of Squares	df	Mean Sum of Squares	F
State (2)	214.25	1	214.25	1.91
Levels of Mgmt. (3)	1202.08	2	601.04	5.36
State into Levels of Mgmt. (2*3)	369.51	2	184.75	1.64
Within	59589.08	532	112.01	
Total	62877.68	537	117.09	

df 1, 532 F Significant at.01 level = 4.85

F Significant at.05 level = 3.01

df 2, 532, F Significant at.01 level = 6.69

F Significant at.05 level = 3.86

**(a) States and Downward Communication**

It is evident from the insignificant F-ratio of 1.91 (Table 4.7) that state had no effect on downward communication. The result implies that there were no significant differences between the automotive industry of Punjab and Haryana with regard to the perceived effectiveness of downward communication. Table 4.8 shows the means and SD of downward communication in the automotive Industry of Punjab and Haryana.

**Table 4.8: Mean Scores and Standard Deviation for Downward Communication in the Automotive Industry of Punjab and Haryana**

State	No of Personnel	Downward Communication	
		Mean	SD
Punjab	273	56.79	11.64
Haryana	265	60.33	9.60

The mean scores on downward communication for automotive industry in Punjab and Haryana were found to be 56.79 and 60.33 respectively. (Table 4.8) Personnel working in these firms find downward communication equally characterized by appropriateness, preciseness, job instructions, explanation of rationale behind the

task which helped them in understanding their jobs and achieving organizational goals and targets, use of multiple channels of communication, performance feedback, repetition of messages etc. The insignificant differences in Punjab and Haryana automotive industry could be due to similar culture of the two states i.e. people within these two states have more or less similar values, ethics, habits etc.

**(b) Management Levels and Downward Communication**

F-ratio of 5.37 (Table 4.7) for downward communication was found to be significant at.05 level indicating that there exist significant differences among top management, middle management and lower management levels regarding perceived effectiveness of downward communication in the automotive industry. Table 4.9 shows the means and t-ratios of downward communication in the automotive Industry of Punjab and Haryana.

**Table 4.9: Significance of Difference between Means of Top, Middle and Lower Management Level Personnel on Downward Communication**

Management Levels	Number	Mean	SE <sub>M</sub>	Group Differences	t-ratio
Top Mgmt™)	43	58.55	2.03	TM & MM	1.008
Middle Mgmt.	185	60.75	0.79	TM & LM	0.63
Lower Mgmt.	310	57.21	0.58	MM & LM	3.59**

t-Ratios

df	Significant at.01 level	Significant at.05 level
226	2.60	1.97
351	2.59	1.97
493	2.59	1.96

t-ratios entered in (Table 4.9) indicate that there were significant differences between middle management and lower management regarding perceived effectiveness of downward communication in automotive industry. Middle management personnel perceived downward communication to be more effective (M=60.75, Table 4.9) than the lower management personnel (M=57.21, Table 4.9) Middle management personnel were of the opinion that they received more appropriate, adequate, clear job instructions than the lower management personnel and that constructive feedback from superiors helped them in improving their performance. In addition, they felt that there was more use of multiple channels of

communication as compared to lower management personnel. This could be explained on the basis, that personnel at lower management levels may be getting messages through too many channels leading to confusion or they may not be getting enough and timely information from their superiors. Differences between top and middle management personnel and top and lower management level personnel were however found to be insignificant as is evident from insignificant t-ratios ( $t=1.00; 0.63$ , Table 4.9). The personnel at top management level found downward communication in the automotive industry equally characterized by clarity, preciseness and timely transmission of information, appropriateness of feedback, and use of multiple channels of communication as by the middle and the lower management personnel.

**(c) Interactional Effect of State and Levels on Perceived Effectiveness of Downward Communication in the Automotive Industry of Punjab and Haryana**

As is evident from F-values.164(Table4.7), Interactional effect of state varied at two levels, and levels of management varied at three levels was found to be insignificant on downward communication. The result indicates that there exist no significant differences among six groups on the basis of state and levels of management. All the groups perceived downward communication equally effective in the automotive industry. Means and SDs for six groups entered in Table 4.10 shows that middle management personnel in the automotive industry of Haryana had slightly higher mean effectiveness score on downward communication ( $M=62.46$ , Table4.10), than the rest of the five groups.

**Table 4.10: Interactional Effect of State and Levels on the Perceived Effectiveness of Downward Communication in the Automotive Industry of Punjab and Haryana**

State	Mgmt. Levels	Downward Communication	
		Mean	SD
Punjab	Top mgmt	59.80	18.00
	Middle mgmt	58.75	12.97
	Lower Mgmt	55.44	9.71
Haryana	Top mgmt	57.47	7.46
	Middle mgmt	62.46	8.27
	Lower Mgmt	59.30	10.50

#### 4.6.2 2x3 ANOVA for Perceived Effectiveness of Upward communication

The results of computation for upward communication are summarized in Table 4.7

**Table 4.11: Summary of 2x3 ANOVA for Perceived Effectiveness Upward Communication in the Automotive Industry of Punjab and Haryana**

Sources of Variation	Sum of Squares	df	Mean Sum of Squares	F
State (2)	31.29	1	31.29	.331
Levels of Mgmt. (3)	741.77	2	370.88	3.924
State into Levels of Mgmt. (2x3)	9.856	2	4.92	.052
Within	50284.94	532	94.521	
Total	51149.55	537	95.251	

df 1, 532 F Significant at.01 level = 4.85

F Significant at.05 level = 3.01

df 2, 532, F Significant at.01 level = 6.69

F Significant at.05 level = 3.86

**(a) State and Upward Communication**

No significant differences were found in the perceived effectiveness of upward communication by personnel working in the automotive industry of Punjab and Haryana as is evident from insignificant F value of.331 (Table4.11).

Mean scores and Standard Deviations for upward communication in the automotive industry of Punjab and Haryana are given in Table 4.12.

**Table 4.12: Mean scores and Standard Deviation for Upward Communication in the Automotive Industry of Punjab and Haryana**

State	Number of Personnel	Upward Communication	
		Mean	SD
Punjab	273	70.78	9.63
Haryana	265	71.66	9.88

Personnel working in the automotive industry of Punjab and Haryana perceived upward communication in their organizations equally characterized by two way communication, encouragement to express opinions and suggestions, sharing of all kinds of information with their superiors including the unpleasant messages, acceptance and appreciation of constructive opinions\ suggestions from subordinates.

As explained earlier, insignificant differences in the perceived effectiveness of upward communication in the automotive industry of Punjab and Haryana could be attributed to similarity of culture of two states.

**(b) Management Levels and Upward Communication**

With respect to effectiveness of upward communication, significant differences among the top, middle and lower level personnel were observed (F=3.92; Table 4.11) in the automotive industry. Mean, SE<sub>M</sub> and t-ratios are entered in Table 4.13.

**Table 4.13: Significance of Difference between Means of Top, Middle and Lower Management Level Personnel on Upward Communication**

Mgmt.Levels	Mean	SE <sub>M</sub>	Group Differences	t-ratio	Df
Top Mgmt	67.41	1.60	TM & MM	2.63**	226
Middle Mgmt.	72.05	0.72	TM & LM	2.26*	351
Lower Mgmt.	71.24	0.54	MM & LM	0.89	493

t Ratios

df	Significant at.01 level	Significant at.05 level
226	2.60	1.97
351	2.59	1.97
493	2.59	1.96

In case of upward communication significant differences in the perceptions of top and middle management personnel (2.63, Table 4.13) and between the top and the lower management personnel (t=2.26, Table 4.13) were observed. Both the middle management (M=72.05, Table 4.13) and lower management (M=71.24; Table 4.13) personnel in the automotive industry perceived upward communication to be more effective than the top management personnel (M=67.41; Table 4.13). Superiors in automotive industry were perceived to be more approachable, receptive to upward directed communication and more interactive by middle and lower management personnel than top management personnel. The possible reasons for the personnel at the top management levels perceiving the upward communication less effective could be that there are less frequent interactions between Board of Directors and CEO and top management personnel, screening of information at every levels, keeping contact with higher ups being viewed negatively and greater status barriers.

**(c) Interactional Effect of State and Levels on Perceived Effectiveness of Upward Communication In the Automotive Industry of Punjab and Haryana.**

As is evident from F-value 0.052, Table 4.11), Interactional effect of state varied at two levels, and levels of management varied at three levels was found to be insignificant on upward communication. The result indicates that there exist no significant differences among six groups on the basis of state and levels of management. The means and SDs for six groups are entered in Table 4.14. All the groups perceived upward communication equally effective in the automotive industry.

Middle management personnel in the automotive industry of Haryana had slightly higher mean effectiveness score on upward communication (M=72.37, Table4.14), than the rest of the five groups.

**Table 4.14: Interactional Effect of State and Levels on Upward Communication In the Automotive Industry of Punjab and Haryana**

State	Mgmt. Levels	Upward Communication	
		Mean	SD
Punjab	Top mgmt	67.30	14.23
	Middle mgmt	71.68	10.56
	Lower Mgmt	70.74	8.37
Haryana	Top mgmt	67.52	5.99
	Middle mgmt	72.37	9.19
	Lower Mgmt	71.83	10.71

#### **4.6.3 2×3 ANOVA for Perceived Effectiveness of Horizontal Communication**

The results of 2×3 ANOVA for Horizontal Communication are given in Table 4.15.

##### **(b) State and Horizontal Communication:**

F value of 4.11 (Table 4.15) was found to be insignificant indicating that state had no effect on the perceived effectiveness of horizontal communication in the automotive industry of Punjab and Haryana. The result implies that there were no significant differences between the automotive industry of Punjab and Haryana with regard to perceived effectiveness of horizontal communication.

**Table 4.15: Summary of 2x3 ANOVA for Perceived Effectiveness of Horizontal Communication in the Automotive Industry of Punjab and Haryana**

Sources of Variation	Sum of Squares	df	Mean Sum of Squares	F
State (2)	124.42	1	124.42	4.11
Levels of Mgmt. (3)	277.77	2	138.88	4.58
State into Levels of Mgmt. (2*3)	13.35	2	6.67	.22
Within	16104.62	532	30.27	
Total	16724.580	537	31.144	

df 1, 532 F Significant at 0.01 level = 4.85

F Significant at.05 level = 3.01

df 2, 532 F Significant at.01 level = 6.69

F Significant at.05 level = 3.86

Table 4.16 shows means and SDs for horizontal communication in the automotive industry of Punjab and Haryana.

**Table 4.16: Mean scores and Standard Deviation for Horizontal Communication in the Automotive Industry of Punjab and Haryana**

State	No of Personnel	Horizontal Communication	
		Mean	SD
Punjab	273	27.13	5.29
Haryana	265	28.68	5.76

On horizontal communication mean score of automotive industry of Haryana state(28.68, Table 4.1) was found to be slightly higher than the mean score(27.13, Table 4.16) of automotive industry of Punjab state. Personnel working in these firms find horizontal communication equally characterized by proper coordination and cooperation among various departments, trust, openness and transparency and judicious use of resources.

**(b) Levels of Management and Horizontal Communication**

F-ratio 4.59 (Table 4.15) was found to be significant at 0.05 levels indicating that there exist significant differences among three management levels namely top, middle and lower management level with respect to effectiveness of horizontal communication in the automotive industry of Punjab and Haryana. Table 4.17 shows the significance of differences between means for horizontal communication.

**Table 4.17: Significance of Difference between Means of Top, Middle and Lower Management Level Personnel on Horizontal Communication**

Mgmt.Levels	Mean	SEM	Group Differences	t-ratio	df
Top Mgmt	25.51	1.01	TM & MM	2.40*	226
Middle Mgmt.	28.11	0.39	TM & LM	2.44*	351
Lower Mgmt.	28.10	0.31	MM & LM	.038	493

df	t Ratios	
	Significant at.01 level	Significant at.05 level
226	2.60	1.97
351	2.59	1.97
493	2.59	1.96

Significant differences were observed between top management personnel and middle management personnel ( $t=2.40$ ; Table 4.17) and top management and lower management personnel ( $t=2.44$ ; Table 4.17). Like upward communication, in this case also, middle management ( $M=28.11$ , Table 4.17) and lower management ( $M=28.10$ ; Table 4.17) personnel found the horizontal communication to be more effective than the top management ( $M=25.51$ ; Table 4.17) personnel in automotive industry. Both middle management and lower management personnel perceived horizontal communication to be more characterized by mutual functional support, mutual exchanges between various groups, sharing of relevant information between concerned departments than the personnel at the top management level. In other words, top management perceived horizontal communication to be less effective in the automotive industry compared to middle and lower management personnel. This can be explained on the basis that there is less interaction, transparency, trust or sharing of important information among top management personnel and it could be due to sense of competition and personal or inter -department jealousies.

**(c) Interactional Effect of State and Levels on Horizontal Communication in the automotive industry of Punjab and Haryana.**

As is evident from F-value .221 (Table4.15), Interactional effect of state varied at two levels, and levels of management varied at three levels was found to be insignificant on horizontal communication. The results indicate that there exist no significant differences among six groups on the basis of state and levels of management. All the groups perceived horizontal communication equally effective in the automotive industry. Table 4.18 shows means and SDs for horizontal communication for the six groups. The means and SDs for six groups entered in Table4.18 show that lower management personnel in the automotive industry of Haryana had slightly higher mean effectiveness score on horizontal communication (M=29.09, Table4.18), than the rest of the five groups. While top management personnel in the automotive industry of Punjab had the least mean score on horizontal communication.

**Table 4.18: Interactional Effect of State and Levels on Upward Communication in the Automotive Industry of Punjab and Haryana**

State	Mgmt. Levels	Horizontal Communication	
		Mean	SD
Punjab	Top mgmt	25.10	8.60
	Middle mgmt	27.36	6.08
	Lower Mgmt	27.26	4.24
Haryana	Top mgmt	25.87	4.47
	Middle mgmt	28.76	4.61
	Lower Mgmt	29.09	6.53

**4.6.4 2×3 ANOVA for Overall Organizational Communication in the Automotive Industry of Punjab and Haryana.**

The results of 2 ×3 ANOVA for overall organizational communication are given in Table 4.19

**Table 4.19: Summary of the 2x3 ANOVA for Overall Organizational Communication in the Automotive Industry of Punjab and Haryana**

Sources of Variation	Sum of Squares	df	Mean Sum of Squares	F
State (2)	985.11	1	985.11	1.990
Levels of Mgmt. (3)	3500.45	2	1750.22	3.536
State into Levels of Mgmt. (2*3)	617.80	2	308.90	.624
Within	263326.54	532	494.97	
Total	272415.38	537	507.29	

df 1, 532 F Significant at 0.01 level = 4.85

F Significant at.05 level = 3.01

df 2, 532 F Significant at.01 level = 6.69

F Significant at.05 level = 3.86

**(a) State and Overall Organizational Communication**

It is evident from the insignificant F- ratio (1.99, Table 4.19) that state had no effect on effectiveness of overall organizational communication. The result reveals that there were no significant differences found between the automotive industry of Punjab and Haryana with regard to effectiveness of overall organizational communication. Means and SDs for overall organizational communication in the automotive industry of Punjab and Haryana are entered in Table 4.20. Mean scores for overall organizational communication in case of automotive industry of Haryana.

**Table 4.20: Mean and Standard Deviation of Overall Organizational Communication) of Automotive Industry in Punjab and Haryana**

State	No of Personnel	Organizational Communication (total)	
		Mean	SD
Punjab	273	154.71	23.28
Haryana	265	160.68	21.32

(M=160.68, Table 4.20) was found to be slightly higher than the mean score (M=154.71, Table4.20) automotive industry of Punjab.

Personnel working in these firms find overall organizational communication equally characterized by appropriateness and clarity of job instructions, explanation of rationale behind tasks, use of multiple channels of communication, information to employees regarding importance of their contributions and appropriateness of feedback. They were of the opinion that suggestions were transmitted to concerned individuals, complaints were positively viewed, constructive feedback fetched appreciation from superiors and there was mutual functional support, cooperation, openness and sharing of relevant information.

**(b) Levels of Management and Overall Organizational Communication**

The main effect of levels of management on overall organizational communication was found to be significant at 0.05 level as is evident from the Table 4.19 (F value 3.55, Table 4.19) indicating that there exist significant differences among top management, middle management and lower management level personnel regarding effectiveness of overall communication in the automotive industry. Table 4.21 shows the results of significance of differences between means of top, middle and lower management for overall organizational communication.

**Table 4.21: Significance of Difference between Means of Top, Middle and Lower Management Level Personnel on Overall Organizational Communication**

Mgmt.Levels	Mean	SEM	Group Differences	t-ratio	df
Top Mgmt	151.48	4.34	TM & MM	2.03*	226
Middle Mgmt.	160.93	1.64	TM & LM	1.12	351
Lower Mgmt.	156.55	1.21	MM & LM	2.13*	493

df	t Ratios	
	Significant at.01 level	Significant at.05 level
226	2.60	1.97
351	2.59	1.97
493	2.59	1.96

It is evident from significant t- ratios 2.03 and 2.13 (Table 4.21) that there exist significant differences between personnel at top management and middle management level and personnel at middle management and lower management level respectively regarding the effectiveness of overall organizational communication in automotive industry. Personnel at middle management level (M=160.93, Table

4.21) perceived overall organizational communication to be more effective than the top management (M=151.48, Table 4.21) level and lower management level personnel (156.55, Table 4.21). These differences could be explained on the basis of reasons that have already been cited earlier in case of downward, upward and horizontal communication.

**(c) Interactional Effect of State and the Levels of Management on Overall Organizational Communication**

As is evident from F-value 0.624 (Table4.19) Interactional effect of state and levels of management were found to be insignificant on overall communication. The means and SDs for six groups are entered in the Table4.22.

**Table 4.22: Interactional Effect of State and Levels on Overall Organizational Communication in the Automotive Industry of Punjab and Haryana.**

State	Mgmt. Levels	Overall Organizational Communication	
		Mean	SD
Punjab	Top mgmt	152.20	39.27
	Middle mgmt	157.80	26.53
	Lower Mgmt	153.80	18.61
Haryana	Top mgmt	150.87	14.78
	Middle mgmt	163.59	17.93
	Lower Mgmt	160.23	23.87

The results indicate that there exist no significant differences among six groups on the basis of state and levels of management. All the groups perceived overall communication equally effective in the automotive industry. Middle management personnel in the automotive industry of Haryana had slightly higher mean effectiveness score on overall organizational communication (M=160.59, Table4.22) than the rest of the five groups. Thus the third hypothesis that state has no significant effect on the perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry stands accepted. The fourth hypothesis that levels of management has a significant effect on the perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry stands accepted.

Thus the fifth hypothesis that there is a significant interactional effect of the state and the levels of management on the perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry stands rejected.

## **Chapter 5**

# **SUMMARY, CONCLUSIONS AND SUGGESTIONS**

A summary of the total investigation giving briefly the genesis of the problem, statement of the problem, objectives, hypotheses, design of the study, methodology used and analysis of data and results and their importance and implications is presented in this chapter, with conclusions and suggestions for further research.

### **5.1 Introduction**

#### **5.3.2 .Importance of Communication in Organizations**

Nearly every modern work on organizations indicates that communication local, regional, national or international- is the plank on which successful business management rests. Achieving success in today's workplace is closely tied to the ability of employees and managers to communicate effectively with each other and with people outside the organization. The effective communication increases productivity, not only of managers but of organizations as well. Good communications skills help one to anticipate problems, make decisions, coordinate works flow, supervise others, develop relationships, and promote products and services (Bovee, 2005). Effective communication takes on added importance when employees are experiencing the upheaval and dislocation that accompanies organizational change and renewal. The degree of effectiveness of the change is positively correlated with the degree of effectiveness of the communication strategy (Huseman & et.al, 1986).

However with the advent of information age, characterized by advances in technology, globalization, culturally diverse and enlightened work force has changed the character, needs, and importance of organizational communication. In today's fast paced, e-commerce environment, more and more business is conducted on a global scale resulting in workforce diversity. Further, today's new generation of employees have different values and needs. They have higher expectations "They want to make their own decisions. They want to share their ideas and their enthusiasm and not just be told what to do" (Schaefer). Hence the communication challenges of a manager have only increased. Most of the management theories emphasize that the manager's fundamental task is to gain an understanding of how

people can better interact and relate to one another in organizational context. Kanter (1991) emphasizing the importance of communication and other human oriented activities argued "new managerial work involves communication and collaboration across functions, across divisions and across companies. .... And having the knowledge, skills, and sensitivity to mobilize people and motivate them to do their best."

Organizational communication can be broadly categorized into two namely external and internal communications. Internal communication is further grouped into formal and informal communication. Formal communication is characterized by downward, upward and horizontal communication and it can take different forms like oral, written and non-verbal form. Number of barriers to vertical and lateral organizational communication have been identified which could impede the smooth flow of communication (Fisher, 1999) These barriers, if left unattended, can lead to slow or ineffective communication, which in turn can act as roadblocks to organizational progress and adversely affect the organizational effectiveness.

### **5.3.3 Organizational Effectiveness: Concept and Measurement**

The study of effectiveness of organizations has acquired a significant role in modern industrial society, first because, energy, human resources, finance etc., are invested in industrial organizations everyday (Reddy et al, 2000). And secondly, interest in this topic has heightened by a growing appreciation of the vital role played by organizations in the life of people in the contemporary society. People have become dependent on organizations of various types for the satisfaction of their needs, and their need satisfaction directly depends on the degree of effectiveness of organizations. As such, understanding of organizational effectiveness is of vital importance for the society at large. Concept of organizational effectiveness, however, is filled with obstacles regarding assessment, namely the criteria problems, criteria choices and the unique attributes of the organizations involved (Verma and Jain, 1996). It has been one of the most elusive research subjects since the early development of organization theory. Discussions pertaining to the field of organizational effectiveness have generated great amount of diversity among various theorists. Campbell (Prasad, 2006), commented, "Since an organization can be effective or ineffective on a number of different facets that may be relatively independent of one another, organizational effectiveness has no operational definition."

Researchers for measuring effectiveness have used a number of indicators that can be grouped into a) Objective Indicators - profit, production rate, etc. and b) Subjective indicators - employee satisfaction, quality of work life, job satisfaction, organizational climate etc. (Sayeed, 1992) Based on these approaches, researchers have offered a variety of models for examining organizational effectiveness. The most widely used models are the Goal model Price and Seashore (Jain,1996); the System Resource model,Seashore & Yuchtman(Jain, 1996); the Internal Process/Maintenance model (Bennis, 1966); and the Legitimacy model Miles and Cameron(Jain,1996);Competing Values Model (Quinn and Rohrbaugh,1983);10-P framework(Jain,2001) Mckinsey's 7-S framework(Bhattacharya,1985) or the Balanced Scorecard( Kaplan and Norton) etc. Despite the efforts of theorists from a variety of fields to define and measure organizational effectiveness, a theory of organizational effectiveness, which is universally applicable across organizations, has failed to emerge. What leads to organizational effectiveness in one organization may not necessarily have validity in another organization's context, given its unique market, technology, competition related context and its values, styles and beliefs, or within an organization itself, it can be effective in some aspects of its myraid operations that it performs and less so on others. Therefore it can be concluded that organizational effectiveness is a divergent problem, which does not have a single solution, nevertheless it is important to identify factors underlying effectiveness for the analysis purpose. Various studies (Srivastava and Ghadially, 1996; Roberts, 1996; Banwet et al, 1999; Koys, 2001) have identified number of factors affecting organizational effectiveness: organizational structure; leadership, communication; technology; planning; organizational culture; job satisfaction and human resource outcome etc. In the present study five broad dimensions namely planning, organizational structure, organizational culture, communication and information technology and outcome have been used to measure the effectiveness of an organization.

#### **5.4 Review of Related Literature: Organizational Communication and Organizational Effectiveness**

The research in the area of organizational communication is of recent phenomenon. Earlier the research in organizational communication was inadequate and was a neglected topic. However through 1960s, 1970s, 1980s organizational communication has been the central concern and has appeared as a recurring theme in the field of management and technology. The related studies on organizational communication in the present study have been studied under three major headings

a) role of communication during crisis, b) nature of communication, and c) modes of communication. Number of studies (Monippaly, (2003; Noone, 1996; Stroh, 2002; Adams, 1995; and Papadakis (2005), have found that effective communication strategies help organizations sail through crisis like takeover, mergers, downsizing etc. smoothly. Similarly other research studies (Athanassiades, 1973; Roberts and O'Reilly, 1979; Wanguri, 1984; King III, 1997; Barnett, 1992; Suchan, 1995; Hansen, 1995 etc.) have focused on nature of communication formal (downward, upward, and horizontal) and informal; the ethical component of communication, different modes or channels used to transfer information in the organizations, the impact of technology on communication, employees' preferences of channels etc.

The review of related literature on organizational effectiveness comprises of studies related to development of model of organizational effectiveness evolving criteria for measuring organizational effectiveness and these include studies by Smith and Gannon (1987); Srivastava and Ghadially (1996); Pritchard & Armistead (1999); Maltz (2001); and Shilbury and Moore (2006) etc. .Research studies by Sayeed (1991), Chien (1992); Wilhelm (1993); Hariharan and Ganeshan (1994); Roberts (1996); Verma and Jain (1996); Richard (1997); Koys (2001) etc. focused on factors affecting organizational effectiveness and these are identified as organizational structure; leadership, communication; technology; planning; organizational culture; job satisfaction and human resource outcome, etc. Truran (2001 Ogunrinde (2001) Malik and Goyal (2003) etc. did a comparative studies of different types of organizations or perceptions of people working at different organizational levels like managers or skilled workers on organizational effectiveness.

Studies by Muchinstay (1977); Maloney (1993); Sharma (1993), Anderson and Martin (1995); Witherspoon and Wohlert (1996); Haas (1999); Kiyomiya (2000); Peng et al (2001); Applebaum (2003) etc. explored the role organizational communication plays in significantly reducing the chance of escalation, limiting interference with normal business operations, and containing damage to the company's reputation especially during crisis situation.

On the basis of review of the literature on organizational communication and organizational effectiveness, it can be concluded that nature and types of communication may vary in different types of organization. Communication (formal and informal; external and internal etc.) plays an important role in organizations especially during crisis. Information and communication technologies have been integrated in communication processes in organizations and it has improved

communication within and outside the organizations. Organizational effectiveness is a multi-dimensional concept. There are number of variables or factors (leadership style, organizational structure, planning, job satisfaction, organizational culture etc.) that contribute to the organizational effectiveness and these will vary from industry to industry. Communication in the organization has an effect on leadership styles, employee's morale, job performance, job satisfaction and managing relationship etc.the formal organization was perceived to be more valuable by the employees in satisfying their needs as compared to informal organization. Barriers to communication (downward, upward and horizontal) reduce effectiveness of organizational communication and in turn adversely affect organizational effectiveness. There are limited studies undertaken in the Indian context leaving much scope for further research.

### **5.1.7 Significance of the Study**

Automotive Industry since the 1990s has shown tremendous growth. Both automobile and auto component sector has shown great advances in recent years in terms of growth, spread and absorption of newer technologies and flexibility. The data obtained from Society for Indian Automobile Manufacturers (SIAM, 2005) showed high growth in the production of total vehicles that increased from 4.2 million in 1998-99 to 7.3 million in 2003-04. Overall automobile sectors bagged a growth of 15.12% in 2003-04 year and in the year 2004-05 the industry registered a growth rate of 15.06 %. The Automobile Industry performance in the year 2004-05 showed encouraging results for all segments of the automobile industry. Similarly the auto component industry has been one of the fastest growing segments of Indian automotive industry, growing by over 28%, in nominal terms, between 1995-98, in the year 2003-04, the sector recorded a growth of 25.06% by recording a production of the order of Rs. 30,640 crore as reported by Automotive Component Manufacturers Association (ACMA, 2005). During the year 2004-05, the output of the Auto Component Industry was around Rs. 36,300 crore. The Indian automotive sector is being written up as the next industry after software, that has the potential of becoming globally competitive.

As more and more organizations begin to operate internationally, their members face the need to become more skillful in relationships that involve cross-cultural communication as well as intercultural communication. This merging of differing organizational cultures, confronting people of different habits, values, and terminology, with the need to collaborate increases our need to understand

communication and how to make it more effective. Hence an attempt was undertaken to study organizational communication in relation to organizational effectiveness from the perspectives of personnel at different management levels in the Indian Automotive Industry.

#### **5.1.8 Statement of the Problem**

A Study of Communication Effectiveness in Relation to Organizational Effectiveness in Automotive industry.

#### **5.1.5 Objectives of the Study:**

- To determine the nature of perceived effectiveness of organizational communication with respect to its three dimensions namely downward, upward and horizontal communication in the automotive industry of Punjab and Haryana.
- To identify barriers to perceived effectiveness of organizational communication in automotive industry of Punjab and Haryana
- To study the relationship between perceived organizational communication with respect to its dimensions namely downward, upward, and horizontal communication and organizational effectiveness in automotive industry as perceived by personnel at three management levels.
- To study the differences between extreme groups on perceived effectiveness of organizational (top and bottom 27%) on perceived effectiveness of Organizational communication and its dimensions namely downward, upward and horizontal communication in automotive industry of Punjab and Haryana.
- To study the differences in the perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward, and horizontal communication in automotive industry of Punjab and Haryana states.
- To study the differences among the personnel at three management levels (Top, middle, and lower) regarding perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward, and horizontal communication in automotive industry.
- To study the interactional effect of state and management levels on perceived effectiveness of organizational communication and its dimensions namely downward, upward, and horizontal communication in the automotive industry.

#### **5.4.1 Hypothesis**

On the basis of review of research literature, the following hypotheses were formulated for the present study.

- There exist significant positive relationship between perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward and horizontal communication and organizational effectiveness.
- There exist significant differences between the extreme groups on perceived organizational effectiveness with regard to Perceived effectiveness of organizational communication and its dimensions namely downward, upward and horizontal communication in the automotive industry.
- The state has a significant effect on the perceived organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry.
- The levels of management has a significant effect on the perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry
- There is a significant interactional effect of the state and the levels of management on the perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry.

### **5.3 Research Methodology**

#### **5.5.6 Research Design**

The survey research design was used to undertake the study.

#### **5.5.7 Sample**

Sample was selected at two stages. Initially a sample of six large scale automotive industry of Punjab and Haryana was selected. Out of twenty two firms, only those firms were included which agreed to participate in the study. Large scale manufacturing firms were preferred to small and medium size firms as the latter

found themselves out of synchronization with the world industry after the opening up of Indian Economy in 1991. At the second stage of sampling, a stratified proportionate random sample of hundred personnel working at three different management levels namely top, middle and lower management were selected from each of the six firms. However, due to inadequate number of personnel at top management level, it was decided to take atleast 10 personnel from the top management levels of each firm to give due representation in the sample. Thus the final sample comprised of 631 personnel (top management = 60; middle management = 209; lower management = 362) at different management levels working in six large scale automotive firms (Three each from Punjab and Haryana).

### **5.5.8 Tools Used**

As the study involved determining effectiveness of organizational communication and organizational effectiveness in the automotive firms, following two tools were used:

- (a) Organizational Communication Scale (Gayatri, 2001). The scale consists of sixty three (63) items measuring three dimensions of organizational communication namely downward, upward and horizontal communication. The scale for downward communication, upward communication and horizontal communication consists of twenty-six items (26), twenty-five items (25) and twelve items (12) respectively. The values of item-difficulty for three subscales ranged between .42 to .68; .40 to .63; 0.40 to 0.57 respectively and discrimination index for three subscales ranged between 0.21 to 0.58; 0.27 to 0.92 and 0.73 to .86 respectively.

Further the inter item correlation for all the scales of downward, upward and horizontal communication are positive and significant Cronbach Alpha Coefficients for downward, upward and horizontal communication are 0.77, 0.92 and 0.95 respectively. The scoring for communication scale was done on the 5 point scale that is 5 (strongly agree); 4 (agree); 3 (indifferent); 2 (disagree) and 1 (strongly disagree). For negative items like 3, 4, 19, 26, 28, 29, 30, 32, 33, 34, 36, 37, 40, 42, 46, 48, 50, 55, 60 the scoring was reversed.

- (b) Organizational Effectiveness Scale (developed by the Researcher). The organizational effectiveness scale consists of eighty seven (87) items of twelve, fifty two, eighteen, ten and five items measuring five dimensions of organizational effectiveness namely planning, organizational structure, organizational culture, communication and information technology and

outcome respectively. For validation of the tool, the items were rated by fourteen academicians and fourteen managers from automotive industry on a three point rating scale namely (1) most relevant (2) relevant) (3) least relevant. Kendall's Coefficient of concordance was used to check the extent of agreement between the academicians and the managers. Value of  $X^2$  (132. ) was found to be significant at .01 levels indicating that there exists an agreement between the academicians and the managers from the industry confirming that the items were representative of the organizational effectiveness and measured what these were intended to measure. The 87 items scale was then administered to hundred managers working at different hierarchical levels in the six different automotive firms to check the reliability of the tool. A score of 5,4,3,2,1 were assigned to calculate the total score of an individual on organizational effectiveness. To ascertain the reliability of the scale, item-item correlation, item-total correlations and Cronbach Alpha were calculated. Item-item correlation for organizational effectiveness ranged between 0.40 and 1.00. Analysis of the inter-item correlations revealed that 54.44% of correlations lie between .4 - .6, 41.05% between .6 - .8 and 3.79% between 0.8 and above. According to Robinson et.al (1991) item-item correlations of 0.3 or above are acceptable. Therefore internal consistency was found to be high.

Item-total correlations for eight-seven items scale ranged between 0.40 – 0.80. The values of Cronbach Alpha Coefficient for the three management levels and the total sample were found to be high and ranged between 0.83 and 0.99. Thus the scale was found to have high internal consistency and considered to be reliable. Scoring for Organizational Effectiveness was done on a 5-point scale of 5 (strongly agree), 4 (agree), 3 (indifferent), 2 (disagree) and 1 (strongly disagree). All the items in the scale were positive.

#### **5.5.9 Data Collection**

The data was personally collected from the six automotive firms (three in Haryana and three in Punjab) selected for the study. Scales on organizational communication and organizational effectiveness were then administered to the managers from the top, middle and lower management levels. A total of 631 scales were given to six firms and a total of 538 (85%) filled in scales were received.

#### **5.5.10 Statistical Techniques**

Descriptive statistics mean median, standard deviation, skewness and Kurtosis for all the dimensions of both the scales on organizational communication and organizational effectiveness were obtained to ascertain the nature of distribution of scores and following Inferential statistics were used.

- Product moment correlations were calculated to determine the extent of the relationships between various dimensions of organizational communication and organizational effectiveness.
- t-ratios were used to study significance of differences between means of extreme groups high and low on organizational effectiveness with respect to organizational communication and its dimensions.
- 2x3 ANOVA was applied to study the main effect of state and management levels and the interactional effect of these variables on the perceptions regarding effectiveness of organizational communication in Indian Automotive Industry.
- Wherever F was found to be significant, t-ratios were worked out to find out the differences between means of various groups.

## **5.6 Analysis of Data and Results**

The analysis of the data and results are discussed under the following main headings:

- Nature of distribution of scores.
- Nature of Communication in Automotive Industry
- Relationship between perceived effectiveness of Organizational communication and organizational effectiveness
- Extreme group comparison
- 2 × 3 Analysis of Variance

### **5.6.1 Nature of Distribution of Scores**

In order to study the nature of distribution of scores on organizational effectiveness and organizational communication, descriptive statistics namely mean, standard deviation, standard error of mean, skewness, and kurtosis were calculated Mean scores for various dimensions of organizational communication namely downward,

upward and horizontal communication ranged between 27.90 to 71.22 and standard deviation between 5.58 to 10.82. The values of skewness for three dimensions-downward, upward and horizontal communication were found to be 0.24, 0.22, and 0.31 respectively. The values of skewness for downward and upward communication did not exceed  $\pm 0.272$ , the acceptable limits at .01 level of significance (Snedecor and Cochran, 1959). The distribution was thus considered to be normal. However, score distribution for horizontal communication (.31) was found to be significantly positively skewed.

The mean score and Standard Deviation for overall organizational communication was found to be 157.65 and 22.52 respectively. The value of skewness (0.27) for organizational communication did not exceed the acceptable limits of skewness  $\pm 0.272$ , at .01 level of significance (Snedecor and Cochran, 1959).

The value of kurtosis for downward, upward, and horizontal and organizational communication (total) ranged between 3.422 to 4.442. The values of kurtosis exceeded the acceptable limits of kurtosis at .01 level of significance i.e. .282-.808. The curve was found to be leptokurtic.

The mean score and Standard Deviation for organizational effectiveness were 192.55 and 46.61 respectively. The value of skewness for organizational effectiveness was found to be 0.21, not exceeding  $\pm 0.272$ , the acceptable limits at .01 level of significance. The distribution was thus considered to be normal.

The value of kurtosis for organizational effectiveness (total) was found to be 3.92 thus exceeding the acceptable limits of kurtosis at .01 level of significance i.e. .282-.808. Hence the curve was found to be leptokurtic.

## **5.6.2 Nature of Communication**

Nature of Communication was discussed under headings downward, upward and horizontal communication.

### **5.6.2.1 Nature of Downward Communication**

The findings revealed that majority of the personnel at three management levels in the automotive industry were of the opinion that job instructions given to employees were appropriate (88.7%), precise and clear (71.2%), rationale behind the task was explained (65.4%) and as a result, employees could understand what was expected out of their jobs (89.6%), and this understanding helped them in achieving organizational goals and targets (91.1%). They further opined that employees were

kept informed about the importance of their contribution (66.4%); appropriate performance feedback was communicated to the employees (70.8%), which helped them in improving the quality of their skills (85%) and thereby of their performance (90.2%). It was further observed that multiple channels of communication like written, circulars; notice boards etc. were used (80.6%) in their organizations to reduce the ambiguity of information (71.9%) and facilitate accuracy (75.4%). Important messages were repeated and when information was not clear, one could bypass formal channels (62.8%), which sometimes saved time (60.6%). However two major barriers were also identified namely the use of multiple channels and the job instructions which at times confused the personnel.

#### **5.6.2.2 Nature of Upward Communication**

In the perceptions of the majority of the personnel (Table 4.3) in the automotive industry of Punjab and Haryana, constructive opinions, suggestions, brought appreciation from superiors (81.3%) especially if they were substantiated by facts (80.7%). This is supported by the fact that 66.9% of personnel disagreed with the statement that their suggestions were not taken seriously. Higher ups were sensitive to the genuineness of complaints (71.7%) and complaints were acted upon rationally (66.5%) Delay in passing on the complaints was viewed seriously in their organizations (64.9%). They further opined that they did not fear any negative repercussions from higher ups (60.6%) while communicating with them. On the contrary they were encouraged to interact with them, which resulted in good understanding (72.9%) and thereby reducing status barriers (72.3%). It was felt by the personnel that the higher ups discouraged the practice of indiscriminate meddling with information (60.2%).

However, according to majority of the personnel ranging between 55% to 88.2%, a number of barriers to the upward communication (statements: 3,4,6,7,8,10,11,14,16, 22, 23 and 24, Table 4.3) inhibited the free flow of upward communication. 6.1% to 37.7% personnel were however in disagreement with these items and 11.5% to 19.5% were found to be indifferent. Majority of the personnel felt there was a practice to filter the information especially the negative feedback, partly, in order to be in the good books of the superiors (45.7%), partly due to status barriers (55%). According to them, the repercussions of screening of the information at different levels were that, it reduced the intensity of information (64.9%), kept superiors in dark (56.5%), hindered the enthusiasm of the superiors to act (70.4%), and on occasions distorted communications led to wrong actions (82.2%). There were just 47% of the personnel

who expressed their apprehensions that communication with higher ups would be viewed negatively by the work group members. The personnel opined that sometimes the managerial effectiveness got affected and functioning was hampered partly due to inability on the part of the superiors to attend to genuine suggestions \ complaint or opinions (73%) or partly due to sheer volume of facts communicated (65.8%).

### **5.6.2.3 Nature of Horizontal Communication**

Majority of the personnel agreed that in their view, mutual functional support and cooperation between departments was encouraged (71% and 68.6%). Open communication and discussions across departments and among task group members helped in building trust (85.7%), in integrating and coordinating goal directed effort (85.7%). Departments shared relevant information during periodic meets (85.1%), which improved their efficiency (86%).

However, 74% of the personnel opined that maintaining departmental boundaries hindered utilization of resources (Table 4.4) With the statement, that interdepartmental meeting generated a ‘they against us attitude’, 41.2 % agreed while 43.9% disagreed and 14.9% remained indifferent.

### **5.6.3 Relationship between Organizational Effectiveness and Perceived Effectiveness of Organizational Communication**

The results of Pearson Product Moment correlations between scores on various dimensions of perceived organizational communication namely, downward, upward, and horizontal communication and total score on organizational communication and organizational effectiveness were computed. All correlations between organizational effectiveness and organizational communication and its dimensions ( .67,.62,.56 and .73) were found to be significant at .01 level. These results indicate that there exist significant positive correlations between organizational communication and organizational effectiveness. These results imply that higher the organizational communication, higher will be the organizational effectiveness and vice versa or in other words it can be said that in the organizations perceived to be effective downward communication, upward communication and horizontal communication will be characterized by accuracy, timeliness, preciseness and clarity of information to

subordinates, constructive feedback, use of different modes of communication, repetition of important messages, encouragement to the employees to express their opinions, suggestions, complaints, sharing of all kinds of information with their superiors, acceptance and appreciation of constructive opinions/suggestions, coordination, information sharing, problem solving between departments, trust and openness in communication across the departments, and vice versa.

#### **5.6.4 Extreme Group Comparisons**

On the basis of organizational effectiveness scores, top 27% and bottom 27% groups were selected and extreme group comparisons were then made for the dimensions of organizational communication that is downward, upward and horizontal communication and its total score. Significant differences were found between extreme groups on organizational effectiveness for all dimensions of organizational communication and overall organizational communication scores. In case of overall communication and its dimensions, mean scores of top 27% (M=178.73, M=67.29; M=79.11; M=32.32) were found to be significantly higher than bottom 27% (M=139.15, M=49.12; M=65.54; M=24.47). The results indicate that those who perceived their organizations highly effective also perceived the overall organizational communication to be more effective in terms of downward, upward and horizontal communication as compared to those who perceived their organizations to be less effective.

#### **5.6.5 2 x 3 Analysis of Variance for Perceived Effectiveness of Organizational Communication**

To study the main effect of state, levels of management and their interactional effect on organizational communication and its dimensions, 2x3 ANOVA was applied and t-ratio were worked out wherever F was found to be significant. The effect of levels on management on overall organizational communication (F = 3.536) and its dimensions namely downward (F = 5.366), upward (F=3.92) and horizontal (F=4.58) were found to be significant implying that there exist significant differences among personnel working at three management levels in the automotive industry of Punjab and Haryana with respect to effectiveness of organizational communication and its dimensions. In case of Overall communication the middle management personnel found it to be more effective than top and lower management personnel. Downward communication was found to be more effective by the personnel both at middle and lower management levels than the personnel at top management level. With regard

to upward and horizontal communication, both middle and lower management personnel found upward and horizontal communication effective compared to top management personnel.

The effect of state ( $F = 1.90; 1.93; .331; 4.11$ ) and the interactional effect of state and levels on overall organizational communication ( $F=.624; 1.649; .052; .221$ ) and its dimensions were found to be insignificant. These results indicate that there exists no significant differences in the effectiveness of overall organizational communication and its dimensions namely downward, upward, horizontal communication in the automotive industry of Punjab and Haryana State. Six groups on the basis of states and levels of management did not differ significantly with respect to perceived effectiveness of organizational communication and its dimensions namely downward, upward and horizontal communication.

## **5.9 Conclusions**

Based on the findings of the study of perceived organizational communication effectiveness in relation to organizational effectiveness in the Indian Automotive Industry, the following conclusions can be drawn from the results thus obtained:

Majority of the personnel at three management levels in the automotive industry of Punjab and Haryana found downward, upward and horizontal communication characterized by most of the desirable features. In the perceptions of the majority of personnel in Automotive Industry downward communication was characterized by appropriate, precise and clear job instructions and appropriate performance feedback. In case of upward communication, the personnel perceived it to be characterized by two-way communication and appreciation of the suggestions, and opinions by the higher ups. Horizontal communication was found to be characterized by mutual functional support and cooperation and sharing of relevant information between departments. However a few barriers to downward, upward and horizontal communication were also identified by the personnel. These included use of multiple channels and by passing of formal communication channels, screening of the information especially the negative feedback and maintaining of departmental boundaries.

- There is significant positive relationship between perceived organizational effectiveness and overall organizational communication and its three dimensions namely, downward, upward, and horizontal communication. Thus

- There exists significant difference in the perceptions of extreme groups of organizational effectiveness with regard to the effectiveness of organizational communication. Those who perceived their organizations to be highly effective also perceived the overall organizational communication, downward communication, upward communication and horizontal communication to be more effective than those who perceived their organizations to be less effective in the automotive industry. Thus the second hypothesis that there exist significant differences between the extreme groups on organizational effectiveness with regard to perceived effectiveness of organizational communication and its dimensions namely downward, upward and horizontal communication in the automotive industry stand accepted. The findings of the earlier studies by Farmer (1999); Priyadarshani and Venkatpathy (2003); Papadakis (2005); Morley et.al. (1997) lend support to the findings of the present study.
- There exist insignificant differences in Punjab and Haryana automotive industry with regard to overall perceived effectiveness of organizational communication and its dimensions namely downward, upward and horizontal communication implying that the state had no effect on the overall organizational communication and its dimensions. Thus the hypothesis that the state has a significant effect on the perceived effectiveness of organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry stands rejected. However, the researcher did not come across a study that shows the impact of state on the perceived effectiveness of organizational communication with respect to its dimensions.
- There are significant differences among the personnel at three management levels (top, middle and lower) in the automotive industry with regard to overall organizational communication effectiveness and its three dimensions like downward, upward, and horizontal communication indicating that levels of management had an effect on overall organizational communication and its dimensions. Personnel

working at middle management level perceived overall organizational communication in the automotive industry more effective than the personnel at both top and lower management levels .In case of downward communication, significant differences in favour of personnel working at middle management level were found between middle management and lower management. Personnel working at middle and lower management level perceived upward and horizontal communication more effective than the personnel working at top management level. Thus, the fourth hypothesis that the levels of management has a significant effect on the perceived effectiveness organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry stands accepted. Larson and King (1973); Smith and Keil (2003); Rosen and Tesser (1975), Jablin (1979) studies substantiate the findings of the present study.

- The interactional effect of state and management levels on the perceived effectiveness of organizational communication with respect to its dimensions in the automotive industry was found to be insignificant. Thus the hypothesis that there is a significant interactional effect of the state and the levels of management on the perceived effectiveness organizational communication with respect to its dimensions namely downward, upward and horizontal communication in the automotive industry stands rejected. The researcher again did not come across such study highlighting the interactional impact of both the state and the management on the organizational communication and its dimensions.

## **5.10 IMPLICATIONS FOR INDIA AND RECOMMENDATIONS FOR FUTURE RESEARCH**

\*In today's highly competitive business world, organizations in India are facing a stiff and difficult competition in the global markets. Over the past few years India has become one of the fastest growing economies and it needs to embrace competitiveness spirit for maintaining and improving over its recent performance (Pillannia, 2008a). Organizational analysts have ascribed varying degrees of importance to the communication process. Ganguly (1995) in his study of Indian organizations found that good communication is the foundation for sound management. The Calcutta based Philips consumer Electronics bridged the gap between the management and workers by transparency through two-way communication. Pyobir Sen, MD, drastically improved system of internal

communication at Indian Airlines (Dwivedi, 1998). Communication -honest, open and two way is always an important element in the management of people, the human resources of organizations (Smith, 2006) and is also considered as an important determinant of organizational effectiveness (Somasundaram, 1995; Reddy & Gayatri, 2005).

The findings of the present study clearly indicate that there exist significant positive correlation between the perceived effectiveness of organizational communication and its dimensions and organizational effectiveness and also significant differences between the extreme groups on organizational effectiveness have been observed. The present study highlights that the managers who send across timely and accurate information and seek in turn information and participation from their subordinates or across departments are perceived to be effective communicators that only corroborates the findings of the earlier studies. The more effective the system of communication, the better is the relations between the workers and between workers and the management (Diwan & Aggarwal, 1997). No major dissatisfaction vis-vis a their managers' communication style or content emerged from this study This could be attributed to the cultural influence as individualist and collectivist dimensions of culture also have a profound effect on learning. In collectivist approach, people are viewed as the recipients of wisdom. This view is tied directly to respect of elders (teachers, managers, superiors, etc.) who hold knowledge because of seasoned wisdom and experience, and who have the responsibility to share such wisdom with those who are younger and junior in status. Translated to the workplace, and the finding from the present study further reiterates that the majority of the personnel across six automotive industry at different levels did not appear or perceived to amiss something related to their communication expectations. They perhaps felt more comfortable collaborating with others, seeking feedback and approval from authorities, and most likely only appreciated their success in relation to their membership in the group.

However, findings from cross-cultural studies confirm that subordinates from countries with a large power distance culture as in India tend to respond less positively to management practices aimed at encouraging more employee participation and involvement in decision –making. For instance Robert et al. (2000),

reported a negative relationship between empowering practices and job satisfaction in India, which has a large power distance culture. High power distance cultures have a clear separating of superiors and subordinates with distinctive roles for each. As in the present study also confirms that some meager percentage of the personnel perceived that the managers would not share the relevant \ critical information with them and would not involve them in the decision making process.

Further, Indian culture, characterized by collectivistic culture( Hofstede,1997,) that focuses on group needs over individual needs and desires, may also lead to the perception among the personnel that their managers do not shower them with praises as an individual and they may feel slighted and dissatisfied. Especially, the present workforce who is under the profound influence of Western and American culture may not align him or herself with the group and may have his or her individual aspirations.

The challenge for the Indian managers, therefore, is to become more open minded towards the opinions of employees and create a climate of collective decision – making. They will increase their efficiency and competitiveness by reducing barriers to communication and by eliminating boundaries, which impede the understanding of end-to-end workflows and better performance on strategic goals. The ability to communicate and seek communication from people down the line will effectively increase productivity, not only of managers but of organizations as well.

The following strategy is proposed to increase the effectiveness of organizational communication in the automotive industry:

- \*To increase effectiveness of downward communication, it is proposed that personnel should be provided with necessary information related to their jobs. The communication should catch their interest and motivate and educate them about how their specific positions contribute to overall company success.
- Job instructions should be clearly spelt out so that there is clear understanding regarding job performance and job expectations.
- Preferably complex job instructions should be in a written form or properly documented to avoid confusion.

- Clear and relevant messages should be formulated. In this era of information overload, employee communication must be simple, brief and relevant.
- It is also important to identify the appropriate vehicle for communication – such as memos, speeches, meetings, videos, newsletters, electronic message boards, training sessions, news releases, posters and so forth, keeping in mind the rationale, the attitude and the limitations of the employees or the nature of task involved.
- It should be borne in mind that individuals and groups at different levels and in different segments of an organization may perceive same information differently as they are not homogenous entities. They vary in nature and in their competence level. Therefore it is important that messages that are appropriate to the intended audience must be delivered effectively by selecting the right channel to the right person and groups at the right time.
- Messages communication sent through different vehicles should be consistent across those vehicles to ensure credibility and avoid confusion amongst employees at various levels.
- Bypassing of formal channels of communication should be discouraged as it leads to confusion regarding the real boss. Communication as far as possible should be sent by the immediate superior.
- However, an effort should be made to reduce their highly noxious byproducts like the exercising of authority with impunity, behaving like a domineering boss, not empowering or engaging people in decision making process. Hierarchies should be made more habitable for employees and more productive as well by using both formal and informal channels.
- In multilevel organizations, messages get distorted as they travel up and down the ladder of command. It is not just a matter of noise or random error. On the contrary it is deliberate move. The feeling of self protection and self-interest generally motivate people to drop out relevant information especially the negative feedback as messages make stops along the vertical route.
- For improving and enhancing the effectiveness of upward communication, barriers such as screening of information at different levels, overload of information, filtering of information especially negative feedback, distorted

communication and status barriers should be eliminated or minimized in the automotive industry.

- They should develop nonadversary system where employees feel uninhibited in bringing their complaints and grievances against their immediate supervisors.
- Superiors should ensure the involvement of personnel at different levels in decision- making, policy planning, making of rules etc.
- Superiors should develop skills in sensitive and objective listening in order to reduce subordinates' fear about communicating problems upwards.
- However sensitive leaders-aware of how difficult it can be for their subordinates to speak truth to power- should take steps to make speaking the truth as painless as possible. The message should go down the levels that failures are an inevitable accompaniment of doing a job; hence these should be talked about openly, not hidden, papered over, or blamed on others. On the contrary, the personnel should feel free to share all kinds of feedback including negative feedback.
- Superiors can increase their informal contact with subordinates through, for example social events, or occasional tours of the plant. Also in routine staff meetings, problems, complaints, grievances, questions and clarification besides production issues should be discussed. The superiors should stay alert continuously to the relevant subtexts of their surroundings and attend to genuine suggestions and opinions.
- To increase effectiveness of horizontal communication in automotive industry, there is a need to sensitize personnel working in one department of the role, needs, expectations and problems of other departments.
- Members' awareness of other departments' problems could be expanded through methods such as training programmes, job rotation or social events, collaborative tasks\ projects, or by constituting multidisciplinary teams.
- Departmental meetings should be held and conducted in such a manner that they generate favourable attitude rather than they-against-us attitude among personnel in automotive industry. Constructive confrontation and working through of disagreements should be encouraged. .

- But more important than any specific vehicle for upward or downward communication is the commitment by top management to the ongoing importance of communication to the success of the business mission. They should have more frequent interaction with the top management personnel in the organization. Automotive industry should pay attention to these factors so as to increase the effectiveness of organizational communication.

#### **Directions for Future Research:**

The present research could be extended to the industry other than the automotive industry for providing useful insight into the internal communication pattern in industry. Further the present research was confined to the area of Punjab and Haryana only. Hence similar kind of research can be conducted in the automotive or other industry giving due representation to the other areas like south, west and east of India.

In the present research, the sample size was restricted to only three management levels i.e. top, middle and lower. Further studies can be conducted including in the sample the supervisor and worker level which can give a comprehensive understanding of the internal communication system in the automotive industry.

The present research has focused on the nature of internal, formal communication including downward, upward and horizontal communication and its relationship with organizational effectiveness. It is proposed that there is a need to undertake studies to identify the nature of external communication in the automotive industry and the variables that may affect external communication. An attempt can be made to identify both primary (i.e. the variables that are universal to external communication) and the secondary (i.e. the variables pertaining to the individuals or the context in which external communication is transmitted) variables affecting external organizational communication

There is ample scope for conducting research on the role of informal communication network which can be quite effective for an organization. The informal communication also known as grapevine may carry rumour and gossip, even so it carries far more information than the formal communication system and on many matters, it is more effective in determining the course of an organization. Therefore the research in this area could be of immense use to both to the managers as well as to the organizations. The focus could be how organizational climate and environment affect grapevine activity, whether managers are aware of the presence of the grapevine

and how they handle and make use of it. Do they keep in touch with the grapevine and turn it into a constructive tool.

In addition, comparative studies of effective and ineffective organization can be undertaken to study the differences in their organizational communication-downward, upward and horizontal or both formal and informal channels of communication

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# **Annexure I**

## **ORGANIZATION COMMUNICATION SCALE**

### **Instructions**

The enclosed scale consists of 63 statements, related to downward, upward and horizontal communication in an organization. Against each statement, there are five response categories namely,

**Strongly Agree.....(SA)**

**Agree.....(A)**

**Indifferent.....(I)**

**Disagree.....(D)**

**Strongly Disagree.....(SD)**

Please read each statement carefully and think how it applies to your organization. Depending upon your extent of agreement or disagreement with the statement please put a tick mark (✓) in the appropriate column.

**Please do not leave any item unmarked.**

**(Reeta Hali)**

## Organizational Communication Scale

S. No.	Statement	Strongly Agree (SA)	Agree (A)	Indifferent (I)	Disagree (D)	Strongly Disagree (SD)
1.	Appropriate job instructions are given to the employees					
2.	Through communication, the employees in this organization know what is expected out of their jobs.					
3.	Occasionally we find it difficult to understand job instructions					
4.	There are occasions when the employees got confused with their job instructions					
5.	Job instructions are precise and clear					
6.	The employees are kept informed about the importance of their contribution					
7.	Organizational requirements are met by explaining the rationale behind the task					
8.	The role of every employee is equally important for organizational functioning					
9.	The more an employee understands his job the easier it is to achieve goals/targets					
10.	Communication helps in understanding 'what and why' a job is being done					
11.	Appropriate performance feedbacks are communicated to the employees					
12.	Knowledge of performance level helps improve skills					
13.	Suggestions help in improving task performance					
14.	Feedback enhances the quality of performance					
15.	Performance appraisals keep the employees' on target					
16.	Multiple channels of communication (written, circulars, notice boards, verbal simultaneously) increase the chances of the communication being received					
17.	Using various channels reduces the ambiguity of information					
18.	Communicating through various channels facilitates accuracy					
19.	Multiple communication channels occasionally cause confusion					
20.	Repeated message signifies importance					
21.	Important communication are repeated to ensure accuracy					
22.	Repeated messages are intended to ensure that it is correctly received and understood					
23.	When message is not clear formal channels of communication are bypassed					
24.	Sometimes bypassing formal					

S. No.	Statement	Strongly Agree (SA)	Agree (A)	Indifferent (I)	Disagree (D)	Strongly Disagree (SD)
	communication channels saves time					
25.	Direct communication is always more effective					
26.	Bypassing formal communication channels cause confusion about 'who is the real boss.'					
27.	Opinions/Suggestions/Complaints offered are transmitted to the concerned persons without delay					
28.	Upward messages are screened so that more relevant aspects receive attention					
29.	Screening of information at different levels keeps superiors in dark					
30.	On occasions, sheer volume of facts communicated stifles managerial effectiveness					
31.	Normally complaints are viewed positively					
32.	Keeping frequent contacts with higher-ups is viewed negatively by the work grouped members					
33.	Communications with the higher officials will definitely have negative repercussions					
34.	Suggestions from employees are not taken seriously					
35.	There is a good understanding when communicating with higher ups					
36.	Filtering of information by superiors delays remedial action					
37.	Negative feedback often gets filtered out as it moves up the organizational hierarchy					
38.	Constructive opinions/suggestions fetches appreciation					
39.	Indiscriminate meddling of information is discouraged in this organization					
40.	Screening reduces the intensity of information					
41.	'Higher ups' are able to sensitize genuineness of opinions/suggestions/complaints					
42.	Inability to attend genuine opinions/suggestions/complaints hampers functioning					
43.	Delay in passing on complaints is viewed seriously					
44.	Genuine grievances are acted upon immediately					
45.	Complaints are acted upon rationally					
46.	On occasions distorted communications led to wrong actions					
47.	Report based on concrete instances facilitates acceptance of ideas/suggestions/opinions					

S. No.	Statement	Strongly Agree (SA)	Agree (A)	Indifferent (I)	Disagree (D)	Strongly Disagree (SD)
48.	It is a practice to filter the information in order to be in the good books of the superiors					
49.	Frequent distortion of information hinders the enthusiasm of the superiors to act					
50.	Status barriers are a hindrance for free flow of information across					
51.	Frequent interactions along hierarchical lines reduces status barriers					
52.	Mutual exchanges between task group members help to develop interpersonal skills					
53.	Horizontal interaction facilitates coordination					
54.	Openness in communication across departments builds trust					
55.	Maintaining departmental boundaries hinders judicious utilization of resources					
56.	Discussions among task group members help to integrate and coordinate goal directed effort					
57.	Periodic meets between departments facilitate sharing of information					
58.	Relevant information is usually shared between concerned departments					
59.	Sharing of information and ideas between task group members improves efficiency					
60.	Interdepartmental meetings generate a 'they against us' attitude					
61.	Cooperation rather than conflict between departments is encouraged					
62.	Concealing of information useful to other departments is discouraged					
63.	Mutual functional support between departments is encouraged in this organization.					

----- Thank You -----

# Annexure II

## **Organizational Effectiveness Scale**

### **Instructions**

The enclosed scale consists of 87 statements, measuring the effectiveness of an organization. Against each statement, there are five response categories namely,

- Strongly Agree.....(SA)**
- Agree.....(A)**
- Indifferent.....(I)**
- Disagree.....(D)**
- Strongly Disagree.....(SD)**

Please read each statement carefully and think how it applies to your organization. Depending upon your extent of agreement or disagreement with the statement please put a tick mark (✓) in the appropriate column.

**Please do not leave any item unmarked.**

**(Reeta Hali)**

### Organizational Effectiveness Scale

S. No.	Statement	Strongly Agree (SA)	Agree (A)	Indifferent (I)	Disagree (DA)	Strongly Disagree (SD)
1.	The vision statement of the organization clearly states what the organization would be in future					
2.	The organization has a clear mission statement.					
3.	All the employees are knowledgeable about the vision and mission of the organization.					
4.	The organization uses its mission statement as a criterion for determining success					
5.	The organization reviews its mission periodically					
6.	Strategic plan of the organization is in tune with the mission statement					
7.	Both the Board members and the staff of the organization are involved in formulating strategic plan					
8.	The organization formulates its action plans annually, consistent with its mission and vision					
9.	Annual action plan clearly indicates the deadline for achievement of targets					
10.	Annual action plan is continuously monitored to achieve planned objectives and targets					
11.	The organization takes necessary corrective actions on the basis of monitoring					
12.	The Board of Directors is committed to the vision, and the mission of the organization					
13.	The Board of Directors is committed to the values of the organization					
14.	Directors on the board are clear about their roles and responsibilities towards the organization					
15.	Directors on the board ensure that action plan is in line with the strategic plan of the organization					
16.	The Board of Directors supports organizational policies					
17.	Leaders at different levels of the management take decisive actions when needed in the organization					
18.	Leaders at different levels of the management communicate effectively with employees of the organization					
19.	Business is conducted in transparent manner in the organization					
20.	Leaders at different levels of the management provide continuous support to employees of the organization					
21.	Leaders at different levels of the management set an example for their employees of the organization					
22.	Leaders at different levels of the management involve employees of the organization in decision making					
23.	Decisions taken by the leaders at different levels of the management are trusted by the employees of the organization					
24.	Leader at different levels of the management encourage cooperation among employees of					

S. No.	Statement	Strongly Agree (SA)	Agree (A)	Indifferent (I)	Disagree (DA)	Strongly Disagree (SD)
	the organization					
25.	Leader at different levels of the management motivate staff to perform at their optimal level					
26.	Performance of employees of the organization is closely monitored					
27.	Individual employees of the organization have the knowledge and skills to perform their respective jobs					
28.	Job roles of the employees are clearly defined					
29.	Work plans of individual employees of the organization are developed collaboratively					
30.	There is coordination among various departments/sections/ units in the organization for the achievement of goals					
31.	The organization gives required resource support to its individual employees for performing their jobs					
32.	The effective team work is recognized and rewarded by the organization					
33.	There is a strong spirit of cooperation throughout the organization					
34.	Employees morale within the organization is high					
35.	The management listens to the employees of the organization					
36.	The organization has a well defined personnel policies like recruitment policy, retention policy, reward and promotion policy, etc.					
37.	The organization has a well defined performance appraisal procedure					
38.	The performance of employees is regularly appraised by the organization					
39.	The organization focuses on high performance					
40.	Good performance of employees of the organization is rewarded					
41.	Employees of the organization are held responsible for their performance.					
42.	Corrective feedback is provided to employees of the organization to improve their performance					
43.	Development plans of employees of the organization are framed every year in consultation with them					
44.	Employees of the organization feel they have a future in the organization					
45.	Individual employees of the organization have access to information needed for taking future career decisions					
46.	The organization provides training to employees for improving performance					
47.	Employees of the organization receive regular coaching from their manager / supervisor					
48.	Training of employees of the organization is linked to their career development					
49.	Compensation plan (salary + fringe benefits) of the organization attracts competent personnel					
50.	Compensation plan of the organization motivates employees to remain in the organization					
51.	Employees of the organization are satisfied					

S. No.	Statement	Strongly Agree (SA)	Agree (A)	Indifferent (I)	Disagree (DA)	Strongly Disagree (SD)
	with the salary and perks offered to them					
52.	The compensation plan of the organization provides insurance against risks/accidents					
53.	The organization conducts business in an open and transparent manner					
54.	Equal opportunities are provided both to men and women to grow within an organization.					
55.	Minority and majority community employees are treated equally in the organization					
56.	The organization conducts business fairly					
57.	The management of the organization demonstrates all core values of the organization					
58.	The organization focuses on customer's delight / satisfaction					
59.	Customer needs are continuously assessed by the customer's cell for modification in organization's policies					
60.	Employees of the organization are accessible to customers 24 hours a day					
61.	Complaints and suggestions from customers of the organization are immediately attended					
62.	Employees build long term relationship with customers of the organization					
63.	Employees of the organization are polite to customer					
64.	Product quality is considered important in the organization					
65.	Continuous feedback is obtained from customers of the organization to improve quality of product					
66.	Products are improved on the basis of continuous evaluation in the organization					
67.	The Organization identifies major changes in the environment to remain leader in the business					
68.	The organization encourages experimentation for introducing changes in its product and services					
69.	The organization keeps on acquiring new capabilities to meet new challenges					
70.	Different modes of communication like meetings, person-to-person, telephone, written modes etc. are used in the org.					
71.	There is frequent interaction among superior and their subordinates					
72.	Opinions/suggestions/ complaints are welcome and attended to promptly in the organization					
73.	The organization is very open to its employees					
74.	There is transparency in communication within the organization					
75.	There is easy access of the information to employees of the organization					
76.	The organization provides hardware as per the requirement of its activities					
77.	The organization provides software as per its requirements.					

S. No.	Statement	Strongly Agree (SA)	Agree (A)	Indifferent (I)	Disagree (DA)	Strongly Disagree (SD)
78.	There is a well formulated Information Technology policy for the organization					
79.	The organization trains its employees to utilize Information Technology facility					
80.	Information Technology tools are extensively used in day to day functioning of the organization					
81.	The organization is able to achieve its planned targets					
82.	Employees of the organization are satisfied					
83.	Employees morale is high in the organization					
84.	Employees of the organization have good interpersonal relationship					
85.	Turnover of employees is low in the organization					
86.	Organization is able to establish long term relationship with its customers					
87.	Organization enjoys good reputation in the market					

**NAME**

**DESIGNATION**

**COMPANY**

**AGE**

**DATE**

**THANK YOU**