

## The Role of Effective Communication in Strategic Management of Organizations

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### Abstract

*Communication is the art of passing information from one person to another so that they can be received in the manner they were meant. The major objective of this study is to investigate the relationship between effective communication and strategic management of organizations. The survey and descriptive research design were employed. The results showed that although effective communication guarantees organizational success, it is largely dependent on the pattern or methods of communication, effectiveness and suitability of the channel selected, and how receptive or accessible are the superiors to the subordinates, among other factors. Based on these findings, the work recommends that factors which promote warmth and cordiality should be imbibed and cultivated. Also, a simple organizational structure should be designed and implemented for easy flow of communication, and the manager should treat his subordinates with humane in order to get the best from them. It concludes that, effective communication is the “lifeblood” of organizations, and that efficient and effective communication influences the positivity “bottom line” of our organizations in achieving organizational strategic goals.*

**Keywords:** Communication and Strategic Management.

### 1.0 Introduction

#### 1.1 Background of the Study

Communication is an indispensable organizational developmental tool. It permeates every facets of organization. It is a crucial instrument of social interactions and a medium through which all relationships are established and maintained. Communication is the transmission of common understanding through the use of symbols. The term communication is derived from the Latin word. (Communis), which means “to share” (Ezezue, 2008:65). Sharing denotatively implies “partaking” “co-operating” hence it is a social activity, but unless a common understanding results from the transmission of symbols (verbal or non-verbal), there is no communication, (Donnelly, Gibson and Ivancerich, 1984:34). Effective managerial communication is strategic for organizational goal achievement. Managers who are striving to become better communicators must accomplish two separate tasks first, they must improve their message – the information they wish to transmit. Second, they must improve their own understanding of what people are trying to communicate to them; they must strive not only to be understood but also to understand others. While an organization has its physical setting, purpose and objectives, organization members have their individual objectives also. All these interplay in organizational setting, creating what we refer to as organizational climates.

However, ineffective communication in an organization may result in uncertainty, apprehension and dissatisfaction, these results to, poor productivity. It is therefore necessary that managers communicate with employees effectively. The extent to which a manager accomplishes corporate goals depends on his ability to communicate effectively (Herich, 2008). The fact remains that many executives still do not understand what communication is and its role in the success of an enterprise (Nnamseh, 2009:114). Effective communication enhances organizational relationship and minimizes strikes and lockouts. Organizational purposes and goals are sometimes defeated when communication is not effective. Wastes and costly mistakes have been made due to gaps in communication. From the above scenario, the need arises for a critical assessment of the role of communication in strategic management of organizations.

Communication is an indispensable function in organizational performance. Getting the message across effectively and having it understood is a prerequisite to progress. There is no point in moving forward if the basic message is lost, or there are barriers in the process. This quickly reminds us of the biblical story of the construction of the Tower of Babel, the execution of which was a total failure because the builders could not communicate among themselves. Business organizations exist for the purpose of achieving predetermined goals and objectives. Actualization of these objectives ultimately requires a manager working with and through people. In this context, communication plays a vital role in the attainment of these goals. Its failure could then be traceable to poor application of communication. Incidentally, some managers do not often realize that communication is the vehicle that drives all the managerial functions. Success or failure of managerial functions depends to a great extent on the role of communication in the organization.

## **1.2 Objectives of the Study**

The major objective of this study is to determine the role of communication in the strategic management of organization. Other specific objectives include:

- a) To evaluate the impact of communication in achieving the organizational strategic goals.
- b) To find out the most suitable pattern of communication adopted by the organization.
- c) To bring to the fore the barriers to effective communication.

## **2.0 Review of Related Literature**

### **2.1 Communication and Strategic Management Defined**

Communication has been defined and explained in different ways by intellectuals of diverse interests and disciplines in management, psychology, and sociology. Communication touches every aspect of life including the domestic, business, and social interactions. Anugwom (2007) defines communication as the use of words, signs and symbols to interchange ideas, emotions, facts and information by two or more persons. Nwokeneme (2008) also defines communication as a process that involves the transmission of message or information through a channel from a sender to a receiver. From a wider perspective, communication is a process by which information is passed between individual and organization by means of previously agreed symbols. Inyang and Esu, (2003) defines communication as the process of transmitting meaning from sender to receiver. Other scholars such as Dessler (2004:94-110), Adams (2006; 16-24) and Smith (2008:42-51) agree that communication is an exchange and transmission of meaning.

According to Imaga (2003:75) strategic management, usually mean the strategic approach to organizing, staffing, directing, leading, controlling and coordinating the activities of organizations like the public enterprise and parastatals with a view to achieving the optimally designed goals with the minimum possible resources at the quickest possible time. Strategic management is defined by Greene. Adams and Ebert (1985:536) as a “continuous process of thinking through the current mission of the organization, thinking through the environmental conditions, and then combining these elements by setting forth a guide for tomorrow’s decisions and results.

### **2.2 Communication as Essential Tool for Achievement of Strategic Goals in Organization**

Strategic management is the process by which an organization determines how it will seek to achieve the long-term objectives spelled out in its mission statement. Thus a strategic plan is a design for action which can later be developed into a complete and comprehensive business plan, (Ezeh, 1999:91). Strategic management is a prerequisite for organizational success. It is the dynamic element of management which enables the company to achieve its result in the competitive market place over the long run. The strategic dimension of management has grown in importance over the last years, due to the increasing complexity of modern business organization. Ohmae (1982), comments that “what business strategy is all about... is, in a word, competitive advantage. Without competitors, there would be no need for strategy, for the sole purpose of strategic planning is to enable the company to gain, as efficiently as possible, a sustainable edge over its competitors.” As Imaga (2001:62) rightly puts it. “It is not how much a manager says, but what he says that matters.” That is why (Nnamseh, 2009:116) sees communication as the means through which members of organization relate with one another by interchanging ideals, facts and feeling, through the use of words, letters, memoranda, symbols and bulletins.

Against this backdrop, communication and business success are inseparable. To be able to attain organizational objectives, the manager must be able to transmit information, ideals, attitudes, and feelings through the process of communication (Etuk, 1991).

From the various submissions, it could be observed that communication involves a lot more than exchange of information between people, it must be noted that for communication to be meaningful and complete, the feedback element is important. Feedback enables the sender to know whether or not the message has been received in the manner it was sent and correctly interpreted to suit the aim it was intended. Managers are effective to the extent that they can transmit instructions, ideals, and feelings within and outside organization through communication. Through communication, management transmits skills and knowledge to members for the execution of strategic tasks. According to Lawson,(2006:67), he posits that the actual word used in communication conveys 7 percent of the meaning, the tone 38 percent, while the body language conveys 55 percent of the meaning. The most important part of effective communication therefore, is not what you say, but the way in which you say it and attitude you adopt when you deliver it.

In attempting to justify the role communication plays in the achievement of strategic goals of organization, Nwachukwu (1999) noted two key managerial functions facilitated by communication, namely; provision of a vehicle by which one can implement a plan of action and the provision of a means through which organization members can be motivated to execute corporate plans willingly and enthusiastically. It follows therefore that, the issuance of orders and participative response are totally dependent on communication, he therefore identified four major functions of communication in management, and they are:

- **Information function:** Communication provides information needed for decision-making.
- **Motivational function:** communication permits the expression of feelings and the satisfaction of social needs.
- **Communication serves as the life blood of an organization,** because through it employees understand their role in a system and.
- **It is the tool through which effective control of organizational activities may be instituted.**

It could be inferred from the above that organizational activities and operations, which are normally performed by employees are achieved using effective communication as an indispensable instrument.

### 2.3 Types of Communication

There are three basic types of communication namely: verbal/oral, written and non-verbal communication (Ezezue, 2007:10).

- **Verbal Communication** This takes place mostly in a face – to – face situation/relationship. It can also be extended to the use of instrument/electronic devices such as telephone and public address system. The most important factor is that human voice is heard.
- **Written Communication** This requires competence in writing and reading skills. In written communication, oral messages are translated into alphabetic symbols, words, and sentences.
- **Non Verbal Communication** This is communication without the use of words and letter symbols. Information and messages communicated non-verbally are neither written nor spoken instead; such messages are communicated through our physical environment, body movement, drawing and pictures including sign language. The general categories that are especially important to communication in international management are Kinesics and Proxemics (Ezezue, 2008:68)
  - **Kinesics** This refers to the study of communication through body movement and facial expression. Primary area of concern is posture and gestures.
  - **Proxemics** This is the study of the way people use physical space to convey message. For example in the United States, there are four “distances” people use in communication on a face-to-face basis. An intimate distance is used for very confidential communications. Personal distance is used for talking with family and close friends. Social distance is used to handle most business transactions. Public distance is used when calling the room or giving a talk to group.

### 2.3 Managing the Problems and Barriers to Organizational Effective Communication.

Why does communication break down? On the surface, the answer is relatively easy. Adirika, Ebue and Nnolim (1996:91) have identified eight elements of communication as the sender, encoding, message, media, decoding, receiver, response and feedback. If noise exists in these elements in anyway, clarity of meaning will be affected.

Every corporate executive strive to achieve effective communication at a minimum cost. To Inyang et al (2003), communication is considered effective “when the message is transmitted and received in an atmosphere of excellent interpersonal relations, mutual trust, and safety and the messages are unhindered and understood as contracted by the sender.

“From the above submissions, it follows therefore that anything short of that implies ineffective communication or that a barrier has occurred. We can therefore understand a barrier to mean a factor that impedes, distorts or causes a breakdown in the exchange of ideas between one individual and another. Etuk (1991), Inyang et al (2003) and Mullins (2006) identified the following barriers to effective communication;

- **Noise:** Noise is a serious barrier to effective communication. It could come from the work environment either as people are trying to fix an appliance or ordinary loud noise making by people in the workplace.
- **Perception:** The perception process allows the receiver to screen his information and interpret it in a manner that makes sense to him. This situation creates misunderstanding which affects the real meaning of the message and consequently its interpretation.
- **Emotions:** Some people appear very emotional while communicating. Such condition does not allow for objective listening and effective assimilation of information. Emotional state could be in form of anger, fear, sorrow, happiness etc. A manager has to be able to overcome such communication barrier.
- **Source Credibility:** Information may be distorted or doubted when the source of the sender is in doubt. The extent of trust or credibility a receiver has on the source will certainly influence the receiver’s perception to the message.
- **Information Overload:** Owing to the complexity and competitive nature of business, managers source for all sorts of information and data for decision making. When the data are enormous, information becomes overloaded to a point that managers may not conveniently interpret and understand this message.

#### 2.4 Overcoming the Barriers to Effective Communication.

The desire of all managers is to minimize as much as possible barriers to communication. The flow of communication among the various levels is top to bottom (downward communication) as well as from the bottom to top (upward communication). At each level of management, there is lateral or horizontal communication (Unamka and Ewurum, 1995:70). To overcome barriers to effective communication, a number of opinions are suggested by Hambagda (2000), Hybels and Weaver (1992). They include:

- I. Information overload should be discouraged. Message should be transmitted in the quantity the recipient can decode and interpret.
- II. Messages should be repeated to prevent misunderstanding. Lawson, (2006:30) advised that problems should always be communicated quickly; because delays cost money.
- III. Appropriate channels of communication should be selected for transmitting information. The choice of channel is a function of the nature of the message to be transmitted.
- IV. Communication is considered complete when a feedback is given to a message. This should be encouraged as a way of confirming how successful the communication was.

#### 2.5 Importance of Strategic Management to Business and Why Strategic Management Fails

Research findings in Europe and America show that firms who strategically plan were more accurate in predicting the outcome of major strategic action and outperformed non planners in terms of several financial criteria. Against this backdrop, we identified these major benefits of strategic management to business organization, they are;

- Strategic management helps organizations to remain focused.
- It helps them to maintain direction amidst changes and distractions in order to achieve a clear mission and objectives.
- Another benefit of strategic management is that it helps business organizations to be continuously relevant to their target market.
- Further, strategic management in its workings involves all the parts and departments of an organization. It is both systemic and holistic. Consequently, it ensures that all the parts and segments are headed in the same direction.
- Again, we believe that the major benefit of strategic management is embedded in the process itself and explicit output of that process.
- Another real benefit of strategic management is the opportunity to involve different levels of management in the process. Not only does this encourage commitment on the parts of the participating managers. It minimizes resistance to change.
- Finally, strategic management is a more careful and systematic approach to change..

When the objectives of an organization have been stated, the next phase in the strategy formation process is to devise means of achieving the objectives, as a result Ezigbo, (2011:352) identified the major reasons why strategic management fails, and they are:

- Failure to understand the customers
- Inability to predict environmental reaction
- Over-estimation of resource competence.
- Failure to coordinate
- Failure to obtain senior management commitment.
- Failure to obtain employee commitment.
- Failure to manage change.
- Failure to focus.
- Poor communication.

**3.1 Research Methodology**

The study adopted a survey and descriptive research design. A literature review was also conducted with the intent to gather secondary data. The validity and reliability of the instrument was established using test-retest method. A total of 130 questionnaires were administered and 90 were completed and returned in usable form, representing 69.2% return. The data collected provided sufficient coverage to the investigation.

**3.2 Data Presentation and Analysis.**

(i) What is the correlation between effective communication and achievement of your organization strategic goal?

**Table 1: Relationship between Effective communication and achievement of organizational goal**

Variables	Responses	(%)
Strong	80	88.9
Weak	7	7.8
Indifferent	3	3.3
Total	90	100

Source: Field interview, 2014.

Table 1 reveals that there exist a strong correlated relationship between effective communication and the level of corporate success. Majority of respondents 80(88.9%) attest to this claim. An insignificant number of respondents 7(7.8), believe otherwise, while a paltry 3(3.3%) were indifferent about the role of effective communication.

**Table 2 Correlation between Effective Communication and Achievement of Organisational Goal**

		Effective Communication	Achievement of Organisational Goal
Effective Communication	Pearson Correlation	1	.840**
	Sig. (2-tailed)		.000
	N	90	90
Achievement of Organisational Goal	Pearson Correlation	.840**	1
	Sig. (2-tailed)	.000	
	N	90	90

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Upon further analysis of the responses presented in Table 1, a Pearson Correlation analysis was performed. A coefficient of 0.84 was obtained. This indicates that there is a positive correlation between effective communication and achievement of organizational goal. This correlation is significant as  $p < 0.05$ .

(ii) What is the most suitable pattern of communication employed by your organization?

**Table 3: The pattern of communication flow**

Variables	Responses	(%)	Z-value	p-value
Downward	60	66.7	3.868	0.000
Upward	22	24.4		
Horizontal	8	8.9		
Total	90	100		

**Source: Field survey, 2012.**

Table 3, Shows clearly that the organization used mostly downward communication as 60 respondents, representing 66.7% of the sample population affirmed. 22 respondents which equals 24.4% indicated the use of upward method, while 8 respondent reference horizontal pattern. This result is significant with Z-value = 3.868 > 1.96 (95% confidence interval) and a p-value < 0.05. This reveals that the most suitable pattern of communication that is employed by organizations is the downward pattern of communication flow.

(iii) What are the barriers to effective communication process?

Employees' reactions to this question were mixed. 50% of the respondents argued that their barriers are in the form of what not to say before their superior, while the remaining 50% revealed that they were not affected by any form of barriers.

#### **4.0 Summary of Findings, Conclusions, and Recommendations.**

##### **4.1 Findings**

The study discovered that effective communication is a foundation upon which every organization irrespective of size and structure must be built: survey result also indicated a unanimous acceptance of the importance of communication in attaining corporate goals. Also, in the organization examined, it was observed that they made use of the three communication patterns (Downward, upward and horizontal), but the downward pattern was more prominent than the other two. The study also revealed that status difference between superior and subordinates may create barriers to communication

##### **4.2 Conclusions**

Realistically, effective communication is an essential tool for the strategic management of organizations. No doubt, low productivity, loss of customers, low turnover, conflict, and absenteeism are caused by poor and ineffective communication. This is to say that effective communication is the life wire of any organization and also the turning point which the wheel of an organization rotates. It is a means by which behavior is modified, change is effected, performance improved and goals/objectives achieved. So irrespective of organization, its size and purpose, transfer of understanding from one person to another is viewed essential for the continued growth, survival and existence of an organization.

##### **4.3 Recommendations**

After due consideration of the research finding and conclusion, the work recommends that; Simple organization structure should be designed and implemented for easy flow of communication. Downward, upward and horizontal flow of information is better and easily facilitated in a modest organization structure. Managers are advised to spend much time when it is necessary in Communicating verbally to their subordinates because it enhances Proper understanding of the message. In addition, managers are encouraged to make use of feedback while communicating with their workers/subordinate. This is because feedback will help them understand whether their message has been received as intended. Furthermore, managers were advised, not only to seek for people to understand them, but also to try as much as possible to understand their subordinates. Finally, simple and familiar words or language known to both the sender and the receiver should be used while communicating. This will certainly minimize the incident of barriers to communication.

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