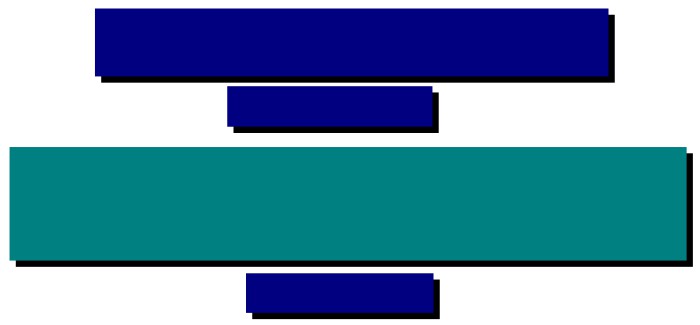
LESSON 2



FLOW OF COMMUNICATION

Outline:

Flow of Internal Communication

o Formal Internal Communication

o Informal Internal Communication

Direction of Flow within the Organization External Communication

o Various Aspects of Formal External Communication

o Informal External Communication

o Ways of External Communication

An organization is a group of people associated for business, political, professional, religious,   
social, or other purposes. Its activities require human beings to interact and react, that is, to   
communicate. They exchange information, ideas, plans, and order needed supplies and make   
decisions, rules, proposals, contracts, and agreements. All these activities require one skill   
that is communication. So we can say that communication is the “Lifeline” of every   
organization.

An exchange of information within an organization is called internal communication. It takes place at different levels -- downwards, upwards and horizontal.

To exchange information within and outside the organization, we use a variety of formal and informal forms of communication that carry the flow of information.

Flow of Internal Communication

Internal Communication

Formal

Planned communication

Memo, letter, report, e-mail & faxes that follow   
 company’s chain of command

Informal

Casual Communication among employees   
 e-mail face to face conversation

phone calls, discussions

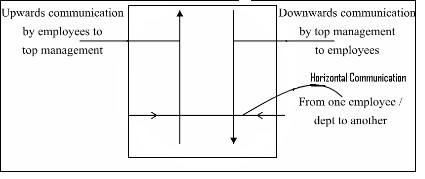
i) Internal Communication

The formal Communication Network

• The formal flow of information follows the official chain of command.   
Following is the table to help us understand this official chain of command.

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President



VP VP VP VP VP

Production Marketing Sales Finance Human

Resources

Sales Sales Sales Sales

Manager Manager Manager Manager

East Midwest West International

District District District

1 2 3

Manager Manager Manager

Sales Sales Sales Sales Sales

Rep Rep Rep Rep Rep

Direction of Flow within the Organization Downward Flow

Organizational decisions are made at top level and then flow down to the people who carry them.   
When employees receive appropriate downward communication from the management, they   
become motivated and more efficient. They need clear job directions, safety rules, facts about   
organizational strategy, products, and viewpoints on important controversial issues. They are also   
concerned about their benefits such as health care, promotions, pensions, training, etc.

Upward Flow

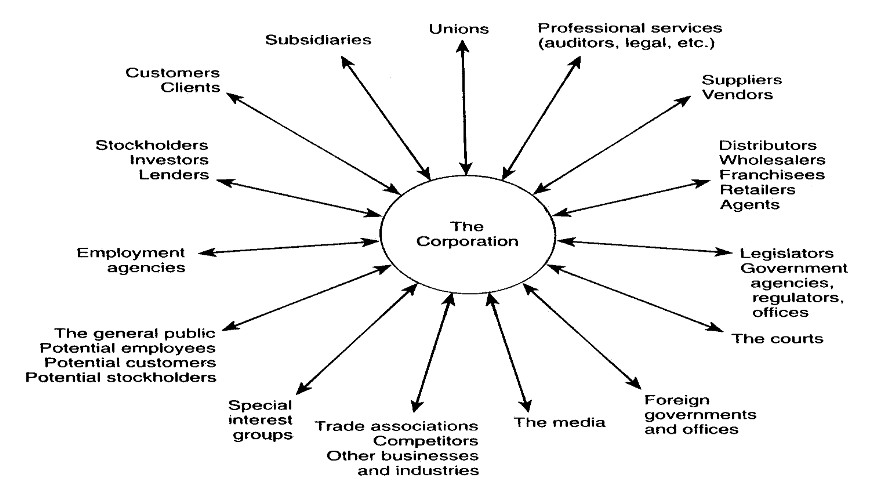
To solve problems and make intelligent decision managers need to know that what is going on in the organization. Upward internal communication is also very important. Many executives want comments from employees in addition to the usual periodic reports. Successful managers listen closely to opinions, complaints, problems, and suggestions, especially when these are clearly put forward. They want to know about problem, emerging trends etc.

Horizontal Flow

Horizontal flow takes place between peers in the organizations in order to solve problems,   
perform job duties, prepare for meetings, and cooperate on important projects. So, you can   
imagine that people spend time on listening to and making requests, writing notes and   
memos, and discussing and writing about projects and they do it through communication.

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Informal Internal Communication



Every organization has an informal communication network - a grapevine - that supplements   
official channel. It is an important source of information. It is casual conversation of an   
organization.

External Communication

Communication that takes place outside the organization is called external communication. The right letter, proposal, report, telephone call, or personal conversation can win back an angry customer, create a desire for a firm’s product or services, encourage collections, motivate performance, and in general, create goodwill.

Flow of External Communication

External Communication

Formal

Planned communication with outsides   
 Memo, letter, report

e-mail, Fax’s that follow company’s chain of command

Informal

Casual Communication among Customers,

suppliers, investors, e-mail face to face conversation   
 phone calls, discussions

Various Aspects of External Communication

Informal External Communication

Although external communication is formal, informal contacts with outsiders are important for   
learning customer’s needs. Plenty of high level manager recognize the value of keeping in touch   
with “the real world by creating opportunities to talk with and get feedback from customers and   
frontline companies.

Ways of External Communication

Letters, pamphlets, annual reports, interviews with the news media etc. Any of these forms can be used to communicate externally. It depends on the needs of the communication.

Effective communication internally and externally can build a good reputation and have a positive impact on the ultimate success of the individual as well as organization.

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