

## **Communication, Climate and Culture in the Hospitality Industry**

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*In a world filled with detailed relationships, effective communication is critical to "Success". Essentially, managers must be able to articulate expectations and listen effectively to discover the expectations of employees. They must also be able to persuade others to behave in desired ways. Employees must be convinced to work toward clear and concise goals that fulfill the company's long-term strategic goals. Changes in technology, human rights, social systems, demographics, competition (global and domestic) affect not only the manner in which managers make decisions but also the way the organization is set up to deal with these issues. Business organizational climate is the fabric of the organization that enables it to function and explain why it acts the way it does. The behavior of employees and managers is based on the ethics code the company has derived in accomplishing tasks and also what is determined to be socially acceptable by the organization and public.*

### **COMMUNICATIONS**

A hotel managerial consultant once stated the following:

We all learn in school that management is supposed to link levels vertically and departments horizontally through planning, leadership, organizing, and controlling. In practice, these things cannot be done without constant attention to good communication. It isn't adjunct to the manager's job; it is the manager's job (Professor John H. Rudd.)

The complex process of communication is a process in which the sender and receiver of a message interact in a way to give the message understanding. The sender delivers an intended message that is received by the receiver, who in turn provides information back to the sender indicating that the message has been properly received.

Although the definition of communication appears simple, the effective execution of this definition is extremely critical to the success of an operation. Communication takes place in many forms. It can be verbal or non-verbal. Likewise, it can be formal or informal. The most typical style of communicating is by face-to-face meetings. Other ways of communicating include letters, memos, billboards, body language, meetings, and the "grapevine," to name a few. Each way of communicating has its advantages

and disadvantages. Thus, it may be more effective to use a combination of these choices to better insure proper communication is taking place.

## **CASE STUDY: THE CITY OF MANCHESTER**

The City of Manchester is a small urban community of approximately twenty thousand residents. It is located in a rural county and serves as the county seat and the center of economic activity. The City of Manchester has developed a city manager form of government, where a city administrator is appointed by the City Council to operate and manage the day-to-day activities of this local branch of government. Thus, there is no mayor, or elected official who oversees the operation. This city manager form of government has been in place since the 1950's when, by public referendum, the voters revised their city charter, thus replacing their mayoral form of government with a city manager style form of government. The rationale behind this decision was to reduce politics from having such a strong influence in the daily operations of the city. In addition, it was thought a good idea to have a full-time professional, with a public administration education and relevant experience, managing the city rather than the most popular person in the city.

The City of Manchester offers the normal range of municipal services for its citizens, including police, fire, public works, parks, youth, senior citizens, water and sewer, and other administrative departments. In the last fiscal year, the total cost of operating the city amounted to an annual cost of approximately \$6.5 million.

The organization is structured so that each department head reports directly to the city administrator. The city administrator reports directly to the city council. The city council consists of nine elected representatives from the city. The organizational chart was structured this way to avoid the possibility that politicians (city council) could demand or instruct individual department heads how to conduct their daily operations.

The removal of political demands allowed the department head to operate their operation based on sound business practices and the department head's ability to prioritize work based on public need, not political pressures. Thus, requests from city council go directly to the city administrator. The city administrator then reviews the merit of each request and, if warranted, refers it to the appropriate department head for consideration.

Each year, the city administrator prepares and submits to city council a proposed annual budget. The city administrator prepares the budget based on department head requests. After the requests are received, the city administrator meets with each department head to discuss and substantiate the requests. The city administrator has traditionally been very conscientious of the cost to taxpayers and has in the past reduced and/or eliminated services in order to reduce, or keep reasonable, the local property tax. Once the budget has been submitted to city council, they have sixty days to review, amend, and approve a final budget.

In the past city council has scheduled department heads to attend meetings in order to discuss the particulars of each department. Traditionally, council has reduced the proposed budget each year. Usually, reductions were made as a direct result of city council's meeting with each department head. Generally, the department head was able to give input into what programs are mandated, what programs could be reduced and/or eliminated, and the impact any council suggested reductions would have on public services. As you can imagine, there were situations in which council and department heads participated in nasty arguments and debates.

This year, however, things were different in Manchester. The city council, as usual, instructed the city administrator to have department heads available to answer questions and provide an estimate of the impact of any actions council was contemplating. However, as the budget hearings were being conducted, council decided not to question the department heads or seek their input. Likewise they refused to let the department heads address the council. It was very clear that the department head were not allowed to play any role in the adoption of this year's budget. The city council had aggressively decided that they did not wish to engage in debate with each and every department head. In addition, it became very apparent that the majority party on council had decided that they were not going to raise taxes, period!

As the budget hearings progressed, council members proposed reductions or eliminations of several line items throughout the budget. The city administrator's proposed budget had called for a 32 % increase over the last year's spending plan. Almost all of the increase (29 %) came as a direct result of the increased cost of garbage refuse collection and disposal.

The city council had concluded that even though the 29% increase attributed to garbage disposal fees was extremely large, it was unavoidable. Several bids were reviewed and even attempts at negotiating with private disposal companies could not reduce the projected increase. Ultimately, it was decided that garbage pick-up was a service that the public expected and demanded. Knowing they had no control over tipping fees charged by the private sector, council started looking at other items to reduce.

Council focused its attention on services they could cut 32% in order not to raise taxes. After weeks of arbitrary reductions, massive cut-backs and overwhelming lay-offs, city council was still facing a 6 % increase in taxes. In order to maintain no increase in taxes, a motion was made and passed to further reduce each department's budget by an aggregate of 6 percent. The motion called for each department head to determine the line item(s) that would further have to be reduced to achieve a further 6% reduction.

When the final adopted budget was sent to each department, department heads were shocked. The Chief of Police sat in awe as he read that his proposed budget of \$1.95 million had been reduced to \$1.38 million. In addition, he was instructed to reduce it by an additional 6% to \$1.29 million. In analyzing the line item reductions made by council, he became aware that the travel and training account had been reduced to zero. He pondered in disbelief how he was going to provide the training, required by State and Federal Law, for the entire police force. To not provide the training would put the Chief of Police in violation of the law. As department heads discussed the budget, it became apparent that many department heads were in the same situation.

As government is a services-oriented industry, a majority of each budget (over 80 %) is composed of employee salaries which are subject to outstanding collective bargaining agreements. Thus, massive layoffs were part of council's final budget. The police department had been allotted only enough money to employ 24 of the current 40 officers on staff. The council, however, did not budget any money to pay unemployment claims.

It was also revealed that some services that generate revenues (user fees) were eliminated, but the projected revenue that they generated was not, thus, overstating revenues. This would likely lead to a deficit situation.

When department heads attempted to communicate their thoughts concerning the final budget, council refused them an audience and instructed department heads to take action to implement the budget.

Suggest a better way to conduct and implement an effective communication network so that situations like this could be better handled in the future. What thoughts, ideas, and recommendations do you suggest? Why? What implications face department heads, city employees, citizens, and politicians?

## **DISCUSSION**

It is obvious from the information presented in this case that a major communication problem exists within the City of Manchester. Although there are several possible ways the existing problem may be resolved and a better communication network implemented, it is suggested that a very careful look at the talents, needs, and motives of the city council, department heads, and voters be conducted. We also need to understand the inter-relationships between these three groups and their support and influence on one another.

The voters of Manchester, like many other voters across the country are experiencing deep frustration, mainly over increasing taxes. However, other things have also assisted in creating a negative attitude about government. Increased media coverage, exposure to congressional and presidential "perks," and congressional scandals have eroded away at the public's confidence in their own government.

Not only is voter apathy commonplace, but there is a strong mentality in Manchester of "throw the rascals out." Voters elect, re-elect, or replace city council members every four years. Ultimately, they

have the strongest influence in Manchester's government because they elect city council members who have similar ideologies and political philosophies as that of the voters.

City council is a legislative body that enacts laws, ordinances, and resolutions that greatly impact the quality of life in Manchester. Although council does not directly participate in the day-to-day operations, they have a strong influence on these activities, due to their power to adopt a final budget.

What are the motives of politicians? Many some seek office to publicly serve their community. Others may have higher political aspirations, or seek to enhance their image, or to improve their private sector business. In addition, most, but not all, politicians seek re-election to hold the position they occupy. In order to get re-elected they must satisfy the needs, wants and/or desires of the voting population. With this in mind, many desperate politicians have adopted some radical ideas in an attempt to win re-election.

Department heads are charged with managing the staff and day-to-day operations of their departments. They must operate with the funds provided in the final adopted budget. Department heads generally try to distance themselves from the political arena. Occasionally, a department head has a political aspiration or agenda, but that is the exception. Most department heads are professionals with an excellent educational background and relevant work experience. Although their motives vary, most seek a sense of responsibility, self-esteem, and challenge.

Although city council members do not have a direct influence on department heads, department heads may have a direct influence on the electability of city council members. Suppose, for example, that the public works director continually refused to resurface a city street with many pot holes. The voters may organize and not re-elect their representative to city council because their street did not get resurfaced. And there may be legitimate reasons why the road did not get resurfaced. The funds to do street resurfacing may already be exhausted, or there may be other streets that are worse off and demand a higher priority.

The important thing here is the relationship, pressures, and influences that the two groups, city council and department heads, have upon each other. Because department heads are not elected, they tend to be less influenced by the voter's political pressures. For example, if the residents of the pot-holed street, mentioned above, picketed city hall, received extensive media attention and became very outspoken, I doubt that it would influence the department head to resurface the street if the funds were not available or if other streets are worse off and demand a higher priority.

With a better understanding of each group, let us now take a look at the major problem--- implementation of an effective communication plan. What factors contributed to the poor or lack of, communication during the budget hearing process?

City council had an attitude that it would not raise taxes, no matter what. In addition, they chose not to allow department heads input because they did not want to engage in a debate or argument. However, in attempting to avoid debate, they handicapped themselves by not being able to at least consider impacts, suggestions, or alternatives of the department heads. They deprived themselves of the knowledge and advice of the single person within the organization who can offer the best input to council concerning matters related to that department. The council could better serve the public, themselves, and department heads by adopting a different approach to this communication problem.

One idea might be to have each department head meet with council to answer any and all questions of concern to city council. This would allow the department head to inform the council as to what programs are mandated at the state/federal level, the impacts certain cuts might generate, and alternative solutions. However, it is very important that council does not propose or make any decisions in the presence of the department head. This approach would allow council to take advantage of the department head's knowledge and experience, without getting into debate. Most arguments occur when changes are proposed, in the presence of the department head that negatively affect their resources to perform their job adequately.

Another suggestion might be to have city council provide some direction to the city administrator as to what their objectives and goals are concerning the budget, services, and tax increases. This direction should be offered at the time the city administrator first begins preparation on the budget. This way, the proposed budget might more accurately reflect city council's goals and objectives. This would also give

the administrator more time to convey these objectives to department heads, so that they can be prepared to offer input, suggestions, or advice, and analyze the impact that achieving these objectives may have on the performance of their daily activities.

Another suggestion would be to form a committee consisting of three council members, three voters, three department heads, and the city administrator. This group could meet on an as needed basis to discuss any and all proposed significant changes in the operation of the city government. They could discuss how they feel about proposed changes and make recommendations to the city council.

For example, maybe voters were willing to live with an increase in taxes due to large increases in garbage collection. What if voters were informed that instead of having three police patrol cars on the road at all times, the proposed cutbacks could create situations in which there would only be one patrol car on duty at certain times? Maybe voters, instead of reducing the number of police officers, would rather go to a pay per bag garbage collection system (user fee) and eliminate it as a service by contracting with a private sector firm.

The key idea here is to share thoughts, concerns, and ideas so that the most cost effective intelligent decisions can be achieved and the people best served.

In the long run, the implementation of suggestions made previously, will open up a better and more reliable channel of communication that will assist all parties in better understanding the other parties involved. Ultimately, it will assist in helping everyone make well-informed decisions.

In the short run, there are also major problems that, if left unaddressed, will have a big impact on this year's budget and the operations and services provided to the public.

Council instructed department heads to cut 6 percent more off the final adopted budget. They offered no advice or priorities to the department heads. Think of the implications. How would council react if the parks department decided not to cut the grass this summer or the streets department decided to turn off street lights at night to reduce the electricity bill? What would be their reaction if the fire department eliminated paramedic and ambulance services, allowing a private firm to provide that service? These are just a few of the many questions that must be answered in order for department heads to make decisions.

The council has "passed the buck" somewhat and has failed to address their duties and responsibilities. They should, at minimum, advise the department heads as to their priorities.

It is imperative that council and the department heads immediately get together to discuss the following:

1. Failure to budget money for unemployment claims, since massive layoffs are taking place.
2. Cutbacks that put programs in violation of state and/or federal laws.
3. Prioritizing targets for the further 6% reduction.
4. Establishing a budget procedure in which everyone has a chance to at least participate by being allowed to communicate ideas, concerns, and thoughts.
5. Establish what the objectives and goals of city council are.
6. Discuss the morale problems created by such radical reductions.

Although the correction of the problem appears to be a gigantic task, with careful planning, courteous cooperation, and a desire to serve the public, an effective communication plan can be implemented, ultimately solving the current and potential future problems. Without the implementation of an effective communication plan, full-time consideration of another endeavor might be in order.

## **CLIMATE**

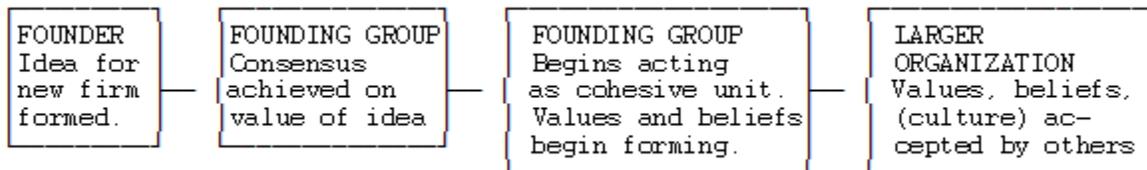
The climate of the organization is crucial in creating an effective organization. Climate is a part of the internal environment of the organization. Some people feel that climate results from physical layout of the company. The interior decor, the color-coordinated furnishings, the uniforms worn by the workers or the size of the offices may create certain Ambiance. Although such factors can influence work place atmosphere, climate has to be defined in a broader sense. The fabric of the organization that enables it to function and explain why it acts the way it does is called organizational culture or climate. Edgar Schein

defined it as "the philosophies, ideologies, values, assumptions, beliefs, expectations, attitudes, and norms that knit an organization together and are shared by employees." All these behavioral concepts form an organization's consensus, implicit and explicit, on how to approach decisions and problems in the organization. In other words climate provides a framework that explains "the ways things are done around here."

There are numerous examples of organizational culture and its impact on organizations. Delta Airlines stresses teamwork among employees, Hewlett-Packard believes in entrepreneurship and PepsiCo wants aggressive managerial behavior and competition both within and outside the organization.

## FORMATION OF ORGANIZATIONAL CULTURE

There are not well-developed theories regarding formation of an organizational culture. Edgar (Schein) suggested that the best way to study the climate may be to observe what happens in a new company. The development of climate is shown in the exhibit: There are not well-developed theories regarding formation of an organizational culture. Edgar Schein suggested that the best way to study the climate may be to observe what happens in a new company. The development of climate is shown in the exhibit:



Founders often start with a theory of how to succeed; they have a climate model, which is based on their experiences in the organizational climate in which they have worked. When a founding group is involved, the climate model comes from the way the group agrees to a single model of the ways things should be done.

The climate shows the interaction of beliefs and experiences of founders and members of the founding group. The following beliefs may remain quite stable over time:

1. The customer is the key to our success, so we must be totally dedicated to customer service.
2. Ideas can come from anywhere in this organization, so we must always maintain a climate of openness.

In contrast, the following beliefs may change with the experiences of founders.

1. The only way to build a successful business is to invest no more than 10% of available funds in any project. This belief may change to 'the amount of funds that can be invested will vary with risk and opportunity, but will rarely exceed 20 %of available funds.'
2. 'To successfully manage a growing and emerging business, the best way is to closely supervise everybody' can change to 'we will hire and train the best people and give them authority and responsibility to achieve their stated goals.'(Schein, 1983)

## IMPLEMENTING THE CLIMATE

The basic process for implementation of climate in the organization is a teaching process through which accepted behaviors and activities are learned. There are many mechanisms to implement climatic elements in an organization. Some important elements are as follows:

1. Formal Statements: It includes organizational missions, creeds, and charters directed toward relations with customers and employees.

2. Design of Physical Space: The design of building and offices can send messages to employees and visitors. A high-rise building with reserved parking spaces and offices that are elegant and isolated from employees reflects a different image from a sprawling two or three story complex without reserved parking and with open-plan offices.
  3. Role modeling: It emphasizes how leaders behave toward teaching and coaching employees. For example, a manager criticized subordinates in front of others, while in another organization, executives support subordinates by practicing the concept of "managing by walking around."
  4. Explicit Symbols: It includes reward and bonus systems, status symbols and promotion criteria.
  5. Stories, Legends, and Myths: Stories related to the founding of the firm, some true, some legend, help implement a culture.
  6. What leaders Pay Attention To: It involves the interest and attitude of managers toward control (loose or strict). Are they interested in daily reports and employee attendance?
  7. Reactions to Crises: Leaders' reactions to crises in absence of clear norms may indicate much about an organization.
  8. Organizational Structure: It emphasizes centralization or decentralization, strict command chains, one or two way communications, who reports to whom, etc.
  9. Organizational Systems: It includes factors such as who controls information, who gets what information, time of performance evaluation, and who makes decisions.
  10. Employee Policies: It expresses the culture more clearly; for example, policies regarding hiring, selection, training, placement, promotion, layoffs and retirement.
- Though all of these factors work together, not all are equally important. Among the elements which have more impact are role modeling, what people pay attention to, and reactions to crises.

## **IMPACT OF CLIMATE ON ORGANIZATIONAL PROCESSES**

Organizational culture can have a significant impact on the organization and its employees. Three elements determine the impact of culture on the organization: direction, pervasiveness and strength. The course of action involves the direction of cultural impact. It is concerned with how cultural elements and strategy for success interact; for example, if the present direction or strategy is successful in an organization, then a culture that maintains a "don't rock the boat" philosophy may be appropriate. On the other hand, if an organization is becoming more entrepreneurial then the above philosophy may prove ineffective.

Pervasiveness is the degree to which an organizations culture is widespread among employees, i.e., is the climate seen the same way or differently by all members? If members of a particular unit are behaving in a different manner, then reaching a consensus will be difficult. Strength of the impact of climate is the pressure exerted by a climate on employees, i.e. the culture may be so strong that their employees follow whatever it says, or it may be somewhat weak, giving only a basic outline to employees.

Shared beliefs and values among employees can make communication better and easier, can generate better cooperation and commitment, and can simplify decision-making. These are explained in detail in the following chart:

## EFFECTS OF A STRONG ORGANIZATIONAL CULTURE

| <u>PROCESS</u>  | <u>EFFECT</u>  | <u>EXAMPLE</u>  |
|-----------------|--|---|
| Communication   | Employees need not communicate items on which there are shared beliefs; receiver should understand why something was not communicated. | A manager declines to be quoted in a newspaper without first clearing his comments with higher-level executives.  |
| Cooperation     | Employees willingly cooperate rather than being forced to cooperate.   | Air traffic controllers avoid bottlenecks and slowdowns by adapting to the situation (i.e., speed up takeoffs and landings instead of following rule strictly). |
| Commitment      | When facing a new situation or major decision, managers first consider the impact on the organization.                                 | Managers consider the effect on existing employees of hiring someone from outside the firm.   |
| Decision Making | Strongly shared beliefs and values establish a consistent set of assumptions on which to base decisions.                               | In poor economic times, employees are transferred to other units before they are laid off or terminated.  |

Source: Adapted from Vijay Sathe, "Implications of Corporate Culture: A Manager's Guide to Action," *Organizational Dynamics*, Autumn 1983, pp. 10-12.

As far as efficiency is concerned, when a person shares the inherent beliefs of the climate and behave according to the climate, he or she can be considered as a "good soldier." When there is non-conformity to climate, the person may be considered a "rebel." Thus, such climates would seem to enhance efficiency of the organization by making activities easier to understand.

Climate can have positive impact on effectiveness if it directs the employees toward goal achievement and force members to accept the norms of the organization. On the other hand, climate can have negative impacts, too. If a climate directs employees away from the goals and pushes employees to follow a less effective direction, then the climate may be counter-productive.

## HOW AN ORGANIZATIONAL CLIMATE CAN BE CHANGED

The initial issue to be considered here is why the climate needs to be changed. The following issues should examine:

1. Corporate Strategy Has Changed. For some reason or another, the direction and goals of the

- firm have changed, possibly requiring a change in the climate. Similarly, some external and internal changes may force an organization to alter its climate.
2. Top Management Has Changed. If the new management wants an organization to operate and function differently than the old one, then it may force some changes in the climate of the organization.
  3. The Present Culture Does Not Work. If most employees and top management feel that things must change to improve the efficiency, productivity and effectiveness of the organization, then the climate may need to be changed.

Apart from these, the management must know how deep-rooted the present climate is. Thus, it may help the management to know how much effort should be applied to change the climate. And, it should consider the potential problems that can emerge due to a change in the climate. Moreover, most multi-divisional companies may have more than one climate, so the management should know whether it has to change them all or only a few or maybe just one.

The following three strategies can be adopted individually or combined to change the climate of an organization:

1. Formal, Top-Down Directives. It includes simple statements or orders--- usually in a meeting or in the form of a memo---that implies that you will change the way things operate will be changed, or else, i.e., a person adapts to a new climate or gets out.
2. Task Forces and Teams. Task forces or teams can be formed to examine a problem and find solutions or suggest improvements for change by the management (old or new). It will help in building organizational loyalty and goal commitment.
3. Reward System Changes. Rarely, a change in the climate of an organization will be successful without changing the reward system. People will usually change their attitudes and behaviors if they are suitably rewarded for doing so.

### **CASE STUDY: JOHN'S NEW SALES JOB**

After being notified that the company had decided to hire him, John reported to his new job on Monday morning. The new sales job presented a new challenge and opportunity. John was assigned to an office in the City of Lockport, located about twenty miles north of the City of Buffalo. Although the commute was a little more than he had hoped for, he saw it as an opportunity, and looked forward to the day he might one day work in the Buffalo office.

John arrived promptly at 9:00 a.m. Monday morning. The Lockport office was located in a neighborhood shopping complex. The complex contained mostly boutique and specialty stores on the first floor with apartments on the second floor. As he walked into the office, he was quite surprised at how small the office was (800 square feet).

After a couple of hours of orientation by the office manager, he was shown a small room, which contained three desks with telephones. He was told that he was free to use any desk that was not currently occupied by someone else. The office manager extended her arm, shook his hand, and said "welcome to the company and good luck." As she turned and walked away, John pondered to himself, "What am I supposed to do?"

John quickly learned that twelve full-time sales people worked out of this three desk office. At times, situations occurred where there was not even a desk or telephone available for him to use. He watched other employees to observe how they generated clients and sales. He quickly learned that most employees had a very negative attitude towards each other, including John. Because of the inter-office competition that existed, no one was willing to share ideas or thoughts. When John questioned the office manager concerning goals, activities, and strategies, the manager chuckled and said, "Get as many sales as possible." After two months of not having any direction, training, meetings, evaluations, or feedback, John quit his job and went back to his former employer.

What types of "climate" problems did John encounter on his new job? Suggest some solutions to the problems revealed.

## DISCUSSION

There are several "climate" type problems associated with this case. The various problems that we will discuss include office location, office size, office facilities, and bad overall organizational climate, lack of climate implementation, lack of mentors, no organizational structure, and no organizational systems. Each of these individual problems, when added together, makes for an overall poor climate in this particular organization.

Each and every piece of the climate sends a message to everyone within the organization and everyone outside the organization upon whom it impacts. For example, the location of the office, in and of itself, tells us something about the organization. An image of the organization is perceived by everyone affected by the organization. John stated that the office was located in a neighborhood shopping complex containing boutique/specialty retail stores and apartments. Some people (employees, customers, etc.) will perceive the store as concerned about the neighborhood and serving the needs of local residents. Others, however, may perceive it as too cheap to afford a prime commercial location or even an unsuccessful business. Yet others may perceive it as a new business.

The important thing to consider is what image or "climate" did you intend to create, what "climate" is actually being perceived, and if the perception is negative in any way, what alternatives do we have available to solve this problem. Like location, the size of the office and the facilities itself contribute to the climate of an organization. The case stated that John was surprised at the small size of the office and the lack of desks and telephones. It was obvious that the lack of proper facilities impacted John's opinion of the organization in a negative manner. What kind of message is being received by employees when they arrive at work to find ten employees standing in line to use three desks or three phones? Imagine the frustration that the employees probably experienced as a result of this climate.

Possible solutions may be temporary or permanent in nature. For example, the likely solution would be to expand the office space by either leasing a new facility, or building a new building to accommodate the needs of the organization. The new location, expanded size, and availability of desks and phones for each employee, would go a long way toward implementing a favorable climate.

It is possible that, due to financial considerations, the organization may not be in a position to lease a larger facility or build a new one. In this case, the organization might have to consider assigning times when employees could use the limited number of desks and telephones. For example, in this case each employee might be assigned a two hour time slot each day, so that all the desks and telephones were fully being utilized, and no one was wasting time standing in line. Employees might also be encouraged to use the phones in their residences. (Consideration of some type of stipend to compensate them for using their home phones might also be considered.)

Although the solution just mentioned may not be as desirable as a new facility, it recognizes a problem, attempts to deal with the problem, and most importantly sends a message or creates an atmosphere that "we care and are trying to help you." Ignoring the problem allows a bad climate to become worse. Remember that climate can have a very positive effect, if it directs employees toward goal achievement and the acceptance of organizational norms.

The overall organizational climate is effected by much more than the physical conditions that we have discussed hitherto. Although the physical conditions need to be considered, the organizational climate is also impacted by corporate strategies, management style, training programs, evaluation appraisals, communication, cooperation, commitment, decision making, employee policies, and the organizational structure. All these items will play a role and contribute to the overall organizational climate.

In this particular case, John received no training, no evaluation, no communication, no cooperation, and little, if any, commitment. He had no idea what the employee policies were or even the structure of the organization.

It appears that management has failed miserably at managing, and especially communicating. The inability or unwillingness of management to provide, create, or favorably change the climate of an organization can and does have a measurable impact on the profitability and ultimately the survival of the organization itself.

It is self-evident; in this case, that management has much work to do to implement a more favorable organizational climate. The successful implementation of a favorable organizational climate will improve the efficiency, productivity, and effectiveness of the entire organization. In this particular case, a favorable climate change will not be easy. Management needs to change just about everything it does. It needs to establish policies and procedure a manual, a training program, an evaluation/appraisal program, establish a network for proper communications, establish corporate goals and strategies, and establish an organizational structure.

Many of these changes might be implemented through directives issued in memorandums or meetings. Other changes might have to be implemented through reorganization, formation of task forces, or changing the reward system.

This company has learned a valuable lesson only if it recognizes why John left and implements climate changes that attract and retain valuable employees.

## **SUMMARY**

As you can see from the information presented, communication plays an important role in the purposes of management. Good communication is essential to the effective operation of any organization. Many would agree that good communication is the foundation upon which a successful organization is built. As a result, communication skills are very important for members of an organization. Communications is never-ending because the world is ever-changing. Proper communication can have a very crucial say in the success and survival of an organization.

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