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Subject - Business Communication
Unit - III

Topic - Formal and informal communication

Communication on the basis of organisation structure may be classified into two categories formal and informal.

- (i) Formal communication., Formal communication is closely associated with a formal organisational structure. The communication flows through formal channels, i.e., officially recognised position along the line in the organisation. In the organisation, 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.

Very often we hear the term through Proper channels which means communications through the channel prescribed in the organisation. It is the path of the line of authority linking two positions in the organisation. It is also known as the chain/line of command. All downward, upward and horizontal communication flows through this chain.

Advantages of formal communication.

The following are the advantages of formal communication.

- (i) It helps in maintaining the authority of line executives over their subordinates who are responsible to get the work done by their subordinates, are answerable to their bosses. The responsibility of the subordinates for the activities carried out by them can easily be fixed.
- (ii) An immediate superior has direct contacts with the subordinates, so, as better understanding is developed b/w them and communication is made more effective.
- (iii) Since an executive better informed about the organisation and its problems than the subordinates, a better solution can possibly be found easily, and good relation b/w the leaders and his subordinates develop.

Disadvantages of formal communication:

The formal communication has the following limitations:

- (i) Every happening in an organisation cannot be foreseen; hence action required for unforeseen event cannot be formalised.
- (ii) It increases the workload of the line superior because all communication are transmitted through them. Thus, it leaves the superiors with little time to perform other organisational functions well.
- (iii) There are more points for filtering the message because there is a long line of superiors from the top to the bottom and, at every point, the message is filtered or distorted. Thus, it reduces the accuracy of the message.
- (iv) There are more chances of red-tapism and delay tactics in this method because executives generally overlook the interests of the subordinates. Any information upward or downward favouring subordinates is more often suppressed or delayed by the superiors.

(v) In most of the big organisations, contacts b/w the top executive and the subordinates at the lowest level are far remote. Very often they do not recognise each other. This adversely affects the relations of executives and subordinates.

(22) Informal Communications. Informal communication, also known as the grape vine, is not a planned or, deliberately created channel of communication. It is free from all formalities. No formal organisation chart is followed to convey messages. It is based on the informal relations of the two persons — the sender and the receiver of communication. A general manager may develop contacts with the worker at the lowest level and communicate certain important information relating to him direct to the worker. It is an example of informal communication. It is the result of the natural desire of people to communicate with each other when they come into contact on a regular basis. When interaction takes place among them a small social group emerges spontaneously, and members of the group develop their own communication system known as an informal communication channel, or the grapevine.

Advantages of Informal communications.

This type of communication has certain plus points as follows:

- (i) The communication travels at a faster speed because there is no formal line of communication.
- (ii) It is multi-dimensional. As there is no channel of communication, communication may be made on any topic of interest to any person in the group irrespective of his position in the formal organisation. It may go to any extent, all limits as to direction and degree of communication are self-imposed. Thus, it promotes co-operation on several lines.
- (iii) It is dynamic and reacts quickly because informal channels have their sanctions in the group and develop within the organisation.
- (iv) At times, it may supplement the formal channel. Certain matters which are difficult to communicate through formal channels, may be effectively communicated through informal channels. If properly utilised, it may clarify the management's points of view to the

Subordinates which otherwise may not be appealing, or it may provide necessary feedback to managers on the possible effects of a decision or action of the management.

Disadvantages of informal communication.

The system suffers from the following weakness:

- (i) It very often carries half-truths, rumors and distorted facts at an alarming rate of speed. As there is no mechanism for authentication of the news and views, members of the organisation are likely to be misinformed and misled by informal communication.
- (ii) Sometimes, the messages communicated through informal channels are so erratic that any action based on these cannot be taken and, if taken it may lead to a difficult situation in the organisation because responsibility for erratic messages cannot be fixed.
- (iii) In informal communications, there are greater chances of distortion of message. Each person conveying the message may add, subtract or change the original message according to his motive or interests. There is a chance that by the time a message completes its complex journey, it may be completely distorted.