■ CHAPTER FOUR ■

STAKEHOLDER ENGAGEMENT

AND

INFORMAL FEEDBACK INTERVENTION

"The better you listen, the more you learn how little you know".

"What you don't know might hurt you; what you do know will only help you.

(Murphy 1987:88).

4.1. INTRODUCTION

Carroll (1996:74) explains that there was an evolution in organisations over the years from a traditional production view of the firm, to a managerial view of the firm and a stakeholder view of the firm. This involves not only those groups that management thinks have a stake in the organisation, but also the groups that themselves realise that they have a stake in the organisation. Some writers call it the dawning of the era of stakeholder capitalism (Owen, Swift and Hunt 2001:5).

This is further emphasised by Bronn and Bronn (2003:291,292) who state that organisations are undergoing dramatic changes as stakeholder groups' influence increases on the place and responsibilities of organisations in society. Important drivers are the environmental movement, the search for total quality management, the concept of sustainable development, ethics and organisational learning. Stakeholders also have different views and assumptions regarding particular situations. It is of utmost importance that communication managers understand the underlying complexities of stakeholder relationships because the various stakeholders' views of complex issues may be completely different to the views of the organisation.

An important way of engaging with the stakeholders of an organisation is through monitoring and reacting to informal feedback input. In broad terms feedback could be defined as a means by which deviations from the goal can be corrected. This is possible because information (feedback) on these deviations is passed to the source.

Feedback occurs within a dynamic system if changes in its outlets react on its inlets. This could be negative or positive feedback that may or may not lead to corrective actions (Fauconnier 1985:77).

In this chapter, the notion of stakeholder engagement, feedback and eventually informal feedback intervention will be investigated. Feedback can be described as that stimuli, response or information that is fed back to the system. It must be investigated how the principle of feedback, according to systems thinking, can be applied to the organisational system and ultimately to organisational learning – that which learning organisations are supposed to do. A literary overview of the notion of feedback will be discussed as well as certain types of informal feedback such as rumours and the organisational grapevine as possible sources of 'usable' feedback.

Although environmental scanning is not the primary focus of this particular study, some writers see informal research methods (feedback gathering) as part of the environmental scanning process. It therefore seems appropriate to briefly discuss the notion of environmental scanning as well in this chapter. Lastly, the role of feedback input as an intervention strategy in communication management will be investigated.

Communication feedback as an element is often absent from earlier theoretical communication models or it is often only mentioned by chance in some of these models. Feedback and the role thereof in establishing proper dialogue is emphasised by other theorists in later communication models such as the mass communication model of Maletzke (In: Van Schoor 1982:41) and Van Schoor's analytical communication model (Van Schoor 1982:35).

However, in communication management, as a strategic management function, writers and researchers have specifically emphasised the role of communication feedback. One example is the two-directional symmetrical models, first described by Cutlip and Center (1984:223), where the role of *feedback* and *mutual adaptation* play a vital role.

Macleod (2000:188) believes that the power to communicate widely has fallen into the hands of individuals and small groups across geographical boundaries and time zones as virtual communities.

The notion of feedback will be investigated against the new belief that the internet has changed the focus of traditional marketing (and also communication management). According to Sharma and Sheth (2002:698-702), the internet has changed the focus of marketing from a *supplier perspective* to a *customer perspective*. This is called *reverse marketing*. Manufacturing now only starts when the customer orders. Customers are now in an era of "direct information" where they seek web pages and communicate directly with marketers and companies based on their needs.

Johnson (1983:62) states three rules that aid in determining the amount of quality of elaboration necessary in human communication:

- More elaboration of the information is needed as the level of immediacy of feedback decreases;
- The immediacy of feedback needs to increase as the level of semantic and syntactic elaboration of information feedforward decreases. (The term *feedforward* will be discussed later in this chapter); and
- There is a decrease in the need for high levels of semantic and syntactic elaboration and/or immediacy of feedback as the degree of significant symbolisation increases.

Feedback is also very import for doing business. In their *Ten Commandments for Crafting Successful Business Strategies*, Thompson and Strickland (2004:285) suggest that organisations be prompt in adapting to changing market conditions, unmet customer needs, buyer wishes, alternative emerging technology and competitors' new initiatives. These writers warn that *"responding late or with too little often puts a company in the precarious position of having to play catch-up."* It is often with the help of informal feedback input that early indications become clearer.

4.2.   RESEARCH AND INFORMAL RESEARCH

It is often said of modern organisations that the only thing still certain is the fact that things will change. Change has become the norm and essence of modern day management. For organisations to survive and prosper in this constantly changing environment, they have to adapt to internal and external environmental demands. Management needs to understand the organisation's environment as well as how to change along with it.

This can only happen if organisations have proper information and knowledge to act upon.

Research and the gathering of environmental input and environmental scanning is the means to get hold of this information, to translate it to fit the company's needs and to adapt strategy accordingly. This can be seen as one of the most challenging aspects of the organisation's strategic management process.

Organisational learning, as the umbrella concept of an organisation's gathering of knowledge, has been discussed at length in the Chapter Three. Radford and Goldstein (2002:252) conclude that research is a way of articulating and supporting knowledge claims as well as an important means of adjudicating between competing knowledge claims.

It is often hard to track down some organisational and communication issues because they do not have the same physical visibility, especially in comparison to true crises (Lorenzi and Riley 2003:197).

Walker (1997:98) mentions that both formal and informal research methods have a place in the practice of public relations. Although instinct and gut feel remain important in conducting public relations work, management also demands measurement, analysis and evaluation at every stage of the public relations process. *Measurement* is often confused with *evaluation*. Measurement is rather the assigning of numerical values to some or all attributes of a study object.

Wisner and Corney (2001:240) stress the importance of feedback collection when saying *"collecting and monitoring customer feedback allows firms to access and upgrade their service and product capabilities as needed to maintain and improve competitiveness"*. These writers state that it became very important to quickly determine what customers want in order to capture new customers as well as to keep existing ones. Obtaining customer feedback is essential to finding this kind of information.

According to Lee (1999:19), the trick is to focus on *impact* and not on *activity*. Rather measure awareness, understanding, acceptance and commitment to the organisation's strategies. Some communication practitioners think of communication as only newsletters, media liaison and public relations programmes. They regard formal communication as the only communication.

They should, however, broaden their perspectives to include semiformal and informal communication that is regarded as equally important.

Semiformal communication includes the programmes and initiatives, procedures, systems and processes that carry the organisation's official endorsement. They convey information, messages and meaning and induce specific thinking or behaviour. Informal communication consists of relationships between leaders and the led, driven by routine conversation comments, questions, complaints and humour as well as leaders' behaviours, decisions and attitudes that often speak loader than words (Lee 1999:20).

Lindenmann (1998: 66) feels very strongly about carrying out effective public relations measurement and evaluation by also measuring *outcomes* (Advanced level: measuring awareness and comprehension, recall and retention, opinion and attitude change and behavioural patterns) instead of just measuring the obvious *outputs* (Basic level: amount of attention and exposure in media) or *outgrowths* (Intermediate level: measuring whether target groups/audiences received and retained messages).

The advanced level of measuring outcomes usually calls for advanced research methods like opinion and attitude research. The ultimate test of effectiveness and the highest outcome measure possible is whether the behaviour of the target audience has changed as a result of the public relations programme or activity. Attitude research is much deeper and more complex than opinion research and measures what people **know** and **think** (mental or cognitive predispositions), what they **feel** (emotions) and how they are inclined to **act** (motivational or drive tendencies). Measuring change in behaviour often requires a variety of data collection tools and techniques (Lindenmann 1998:70-71).

Lindenmann (1998:68) sketches the *Ketchum Effectiveness Yardstick* as follows:

Table 3: The Ketchum effectiveness yardstick

K e t c h u m E f f e c t i v e n e s s Y a r d s t i c k		
Level 1	**Level 2**	**Level 3**
Basic – Measuring **OUTPUTS**	Intermediate – Measuring **OUTGROWTHS**	Advanced – Measuring **OUTCOMES**
Media placements	Receptivity	Opinion change
Impressions	Awareness	Attitude change
Targeted audiences	Comprehension	Behaviour change
	retention	

SOURCE: Lindenmann (1998:68)

Lee (199:21) also states that communication professionals' unwillingness to include semiformal and informal communication (because of their perceptions that it is beyond their power of influence and measure) needs to be addressed. Semiformal communication builds understanding and acceptance while informal communication, to the extent that it reflects the themes and messages of formal communication, stands alone in building commitment. With this relationship in mind, it is possible to measure levels of awareness, understanding, acceptance and commitment as an indication of the impact of formal, semiformal and informal communication.

Public relations is said to be about relationship-building. It should then be important to measure these relationships in order to find out how good the outcome of public relations programmes is. Effective organisations choose and achieve appropriate goals by developing relationships with their publics (constituencies). Ineffective organisations do not achieve their goals, because their publics do not support or oppose the efforts of management to achieve what publics consider illegitimate goals. Publics' opposition to management goals and decisions frequently results in so-called *issues* and *crises*. The process of developing and maintaining relationships with strategic publics is therefore a crucial component of strategic management, issue management and crisis management of any organisation (Grunig and Hon 1999:8).

According to Steyn (2002:11), organisations can collect information on stakeholders and events and issues that are occurring, feed that information into the strategic management process as well as anticipate issues and trends that will help it to buffer threats and take advantage of opportunities. This is possible despite the fact that an organisation cannot directly influence forces in the societal environment. Lindenmann (1998:67,71) emphasises that the final step in public relations evaluation research is to link what has been accomplished to the business goals, objectives and accomplishments of the organisation as a whole. Public relations managers should strive to relate public relations outcomes to such desired business and/or organisational outcomes as increased market penetration, market share, sales and an overall increase in the profitability of the organisation. Public relations programmes and goals should also be integrated with the total marketing plan.

Cummins (2003:730) states that corporate communicators are the closest thing to a conscience an organisation can have because the nature of the profession uniquely positions them to take on this responsibility. Besides the CEO, the communication managers are the only people who look at the big picture – the organisation in its entirety – and have touch points with every single aspect of the business. Communication managers bring sensitivity to human issues to the table.

4.3.   ENVIRONMENTAL SCANNING

Although environmental scanning is not the primary focus of this study it is useful to understand its role as a potential source of formal and informal feedback. Steyn and Puth (2000:16) argue, *"Environmental monitoring or scanning refers to the formal and informal research activities performed by practitioners to obtain information about 'what is going on' in the external environment".*

Dozier, Grunig and Grunig (1995:412) support this view of environmental scanning by saying that environmental scanning consists of both formal or scientific as well as informal information gathering about changes and trends in the organisation's environment. Practitioners of environmental scanning use qualitative and quantitative research techniques (as well as informal, journalistic information gathering) to make their participation valuable to organisational decision-makers.

By collecting and controlling intelligence about the environment, practitioners become useful participants in strategic planning and decision-making. This is one power strategy that practitioners can use to redefine the public relations function.

Environmental scanning is regarded as the first step in the ongoing chain of perceptions and actions leading to an organisation's adaptation to its environment – the process by which an organisation learns about events and trends in the external environment, establishes relationships between them and considers the main implications for problem definition and decision-making (Steyn and Puth 2000:166).

Broom and Dozier (1990) believe that when the inputs that organisations gather about publics and environmental forces are collected *systematically*, the activities form part of environmental scanning. These activities are conceptually distinct from performance management feedback, programme adjustment feedback and organisational adaptation feedback.

According to Burack and Mathys (1989:82), strategic planning is directly related to an organisation's environmental scanning capabilities. Environmental scanning is a form of system input where organisations gather intelligence about stakeholders or publics and environmental forces. Dozier (1986) states that the strategic function of scanning is early detection of emerging problems as well as quantification of existing or known problems in the environment.

Daft and Welck (1984:285) state that building up interpretations about the environment is a basic requirement of individuals and organisations. Information about the external world must be obtained, filtered and processed into a central nervous system of some sort. This may lead to certain choices being made. However, Xu and Kaye (1995:23) state that companies frequently lack appropriate structures or organisational format to accommodate strategic planning into which data of various types could be fed and interpreted. Companies, therefore, often neglect actively collecting environmental intelligence.

In the environmental scanning process, data is acquired from the external environment to be used in problem definition and strategic decision-making. In the role of gatekeeper or liaison and boundary spanner, the corporate communication manager provides top management with the critical information needed to formulate or adapt strategy.

In this role, corporate communication makes its biggest contribution to organisational effectiveness and therefore the bottom line of the organisation (Steyn and Puth 2000:166).

Kotler (1997:112) stresses the importance of updating the organisation's marketing intelligence system by reading books, newspapers, trade publications, talking to customers, suppliers, distributors and other outsiders; and talking with other managers and personnel within the company. The firm needs to track the results and monitor new developments in the internal and external environments. Although some environments are fairly stable, others change rapidly in major and unpredictable ways.

4.4.   FORMAL AND INFORMAL SOURCES OF INFORMATION

According to Kaye (1995:13), information sources for managers in organisations can mainly be arranged according to format, status and location and classified in the following terms:

A)   Format:
- Oral vs documentary
- Textual vs audio-visual/multimedia
- Paper-based vs electronic

B)   Status:
- Personal vs impersonal
- Formal vs informal
- Published vs unpublished
- Open vs confidential/secret

C)   Location
- Internal vs external

Personal sources (such as a manager's colleagues, superiors or subordinates) are those who deliver information to the individual manager. Impersonal sources (such as books, newspapers and journals) communicate to groups or wider audiences, usually through some sort of formal system. Formal sources are often also impersonal and informal sources are often personal. Sources of information can exhibit complex combinations of features.

What is important is the way in which the recipient of information perceives a source in the context in which the information is supplied. The assessment of source reliability will depend on the manager's perception of and attitude towards the status, format and location of the source (Kaye 1995:14).

Information seekers will also often prefer personal and informal contacts and sources. Friends and colleagues will often not only provide the facts required, but also advice, encouragement and moral support. He or she may be able to evaluate the information, indicate the best choice, relate the information to the enquirer's needs and situation and support the enquirer's action or decision. Many managers seldom look beyond the organisation's borders in their search for information. This can be extremely damaging and limited (Kaye 1995:14).

Kaye (1995:15) provides the following quadrants:

Quadrant A: External/informal

Managers often attach much value to news, ideas and gossip picked up during business dealings or conferences. Often salespersons and technical representatives are frequent recipients of such information. Many people rely on family and friends as their primary source of information.

Quadrant B: External/formal

Many organisations have library and information services. There are numerous external information sources available in the form of statistics, guides and directories.

Quadrant C: Internal/informal

These sources have their own special benefits and problems because they are the most personal. Close and personal relationships with colleagues may enhance the trustworthiness and credibility associated with such people, but it may also involve politics and personal rivalries.

Quadrant D: Internal/formal

Three kinds of formal internal sources can be listed: internal documents, automated systems such as management information systems and internal departments and units. Internal quantitative data, such as sales figures and stock levels, are well known. However, managers are often not equipped to deal with the 'softer' issues such as opinions and news. These may have a potentially great impact on the organisation. Qualitative information of this kind is uncomfortable and difficult to obtain and process and is therefore easily ignored. This can be a fatal error (Kaye 1995:15).

According to Pearson and Thomas (In: Kitchen and Daly 2002:49), effective communication means that managers must take cognisance of what employees:

- *Must know* – key job-specific information;
- *Should know* – essential but desirable organisational information; and
- *Could know* – relatively unimportant for office gossip.

Church and Waclawski (1998:78) add to the argument that the role of informal communication processes and sources should also be recognised. These informal methods can have a significant effect on any type of organisational initiative.

Individuals who cross organisational boundaries, and professionals who have access to both formal and informal networks of fellow professionals, have ample opportunity to come across new ideas. These new ideas can later be tested and applied within their own organisations (King and Anderson 2002:139).

4.5.   DIALOGIC RELATIONSHIPS AND RELATIONSHIP MANAGEMENT

According to Kent and Taylor (2002:30), the internet is very useful as a modern public relations tool and is an useful medium for building interpersonal relationships. The internet lends itself to debates and enables real time cyber meetings and cyber town meetings where organisations can listen to their publics. The web offers text, sound, image, movement and the potential for real-time interaction that is absent from books, magazines and newspapers. Neither radio nor television offers this kind of interaction.

Kent and Taylor (2002:31) emphasise the dialogic role of the World Wide Web further by stating:

> *"The Web can be used to communicate directly with publics by offering real time discussions, feedback loops, places to post comments, sources for organisational information and postings of organisational member biographies and contact information. Through the commitment of organisational resources and training, the Web can function dialogically rather than monologically".*

It is these kinds of potential dialogic informal discussions, comments and feedback loops and their potential as learning agents, creators of dialogue and instigators of strategic change that are the keen interest of this study.

Ledingham and Bruning (1998:1) emphasise the importance of relationship management as a focus area for corporate communication. The organisation must focus on its relationships with key stakeholders, the dimensions upon which these relationships are built and the impact that the organisation-stakeholder relationship has on the organisation and its key stakeholders.

Grunig (In: Grunig 1992) explains this concept further by stating that corporate communication practitioners play their most valuable role when identifying and establishing relationships with strategic stakeholders. Practitioners also identify and manage the publics and activists that emerge around issues, thereby reducing conflict and uncertainty in strategic decision-making. Building strategic relationships should form the centre of corporate communication activity.

Kent and Taylor (1998) state that two-way symmetrical communication as a theoretical approach necessitates organisations to provide the procedural means whereby the organisation and its stakeholders can communicate interactively. Organisations must devise systematic processes and rules for proper two-way symmetrical communication to take place.

According to Ledingham and Bruning (1998:4), the organisation-stakeholder relationship should be anchored on building trust, demonstrating involvement, investment and commitment and by maintaining open, frank communication between the organisation and its key stakeholders. These writers further state that if corporate communication is viewed as relationship management, corporate communication programmes must then be designed around relationship goals with communication strategies employed to support the achievement of goals. Relationship management should focus on the establishment and maintenance of strategic relationships with all stakeholders and not only customers.

4.6.   STAKEHOLDER ENGAGEMENT

Stakeholder engagement and stakeholder dialogue are terms that have become increasingly important and talked about in management circles in recent years. There is a new emphasis on sound and respectable corporate governance of organisations that naturally leads to an increased emphasis on stakeholder engagement as well.

Modern day organisations have to concentrate on sustainability. This means that the organisation must balance its need for long-term viability and prosperity with short-term competitiveness and financial gain. This quest for sustainability forces organisations to also concentrate on non-financial aspects of corporate practice that influence the organisation's ability to survive and prosper in the communities within which it operates. Sustainability in the business context means the finding of balance and integrated economic, social and environmental performance. Non-financial issues, such as social, ethical and environmental issues, can no longer be regarded as secondary to the more common business imperatives. Non-financial issues can easily have financial consequences for organisations if not attended to and managed correctly (King 2002:91-99).

According to McIntosh *et al.* (1998:xii), modern consumers are increasingly more sophisticated. They are interested in much more than product price and ask questions about corporate practices behind the brand name of products they buy. Many modern organisations see social accountability as a competitive asset. The rise of business transparency is also unstoppable (Tapscott and Ticoll 2003:28).

According to Tapscott and Ticoll (2003:28,31), business transparency is attributed to three historic reasons. Firstly the internet, which gave stakeholders an inexpensive and universal communication tool to engage with each other and organisations. Secondly the change in corporate ownership where checks and balances are now provided by a board of directors. Executives can no longer enrich only themselves at the expense of shareholders. And thirdly, the tendency towards operating network economies. As an organisation's market capitalism goes global, performance discipline is increasingly expected from the organisation. These reasons cause supply chain activities to become more visible for stakeholders enabling them to share information and participate with responses through the internet.

Bronn and Bronn (2003:291,299) identify three communication skills that enable communication managers to engage with stakeholders in meaningful dialogue in their quest for a better understanding of the processes that influence the perceptions of stakeholder groups. The communication skills are reflection, inquiry and advocacy. The objective of reflection is to make the person more aware of his or her own thinking and reasoning. Inquiry involves the two parties in the communication process in a joint learning session and advocacy is the process of communicating one's own thinking and reasoning in an open, understanding and visible way to others.

Bishop and Beckett (2000:35) state that it is important to build a communication strategy based on enquiry and accountability in order to encourage stakeholder dialogue. Meaningful stakeholder engagement and the resultant feedback help organisations to:
- Anticipate and manage conflicts;
- Improve decision-making;
- Build consensus among diverse opinions;
- Create identification of stakeholders with the outcomes of organisation's activities;
- Build trust in the organisation; and
- Create and secure social capital.

The desired end result of dialogue with stakeholders should be to deliver long-term value to both the organisation and its stakeholders (Cumming 2001:48,51). This writer found that the world is moving towards an 'involve me' culture in which stakeholders are working in partnerships with organisations for the benefit of society.

Non-government organisations (NGOs) advocate even deeper involvement. This should ultimately be a two-way interaction and exchange.

Trust plays an important role in relationships with stakeholders. Swift (2001:21,24) believes it is based upon reputation, dialogue and experience and cannot be demanded by either stakeholders or organisations. It should rather be earned through trustworthy behaviour. Not all stakeholders have the same stake or legitimacy or even the same requirements for accountability, but trust helps to facilitate interdependent relationships in which stakeholders are given a voice to influence corporate social behaviour.

According to De Bussy and Ewing, (1997:227), in recent years marketers have tended to communicate increasingly with non-customer stakeholders because of the impact that these relationships have on the customer. This used to be one of the exclusive responsibilities of communication managers.

McIntosh *et al.* (1998:194) state that

> *"Engaging stakeholders, through dialogue and consultation is one way of finding a common way forward in a fragmented society. Business prospers if it understands its key relationships: it is in its interests to widen its circle and be more inclusive. Transparency and accountability are business virtues. Corporate citizenship has its greatest momentum in three areas: inclusivity, transparency and accountability".*

According to Wheeler and Sillanpää (1997:132,133), the ability to learn in organisations requires a total cultural change that emphasises active participation on every level in the organisation, including its multiple stakeholders. Engaging in stakeholders' views creates the basis for a shared future. But one should be aware that different stakeholders hold different images based on their relationship with the organisation (Bronn and Bronn 2003:301).

4.6.1. Stakeholders and publics

The King Report of Corporate Governance in South Africa (2002:98) advocates an inclusive approach that recognises that all stakeholders, such as the community in which the organisation operates, its customers, employees and suppliers (amongst others), need to be taken into consideration when corporate strategy for the organisation is developed.

All stakeholders should be identified and integrated into the strategies for the organisation in order to achieve its goals.

It is important to distinguish between the management of relationships between *stakeholders* and *publics*. According to Steyn and Puth (2000:198), *stakeholders* are those groups or individuals that an organisation has a relationship with. The behaviour of the organisation and the behaviour of the stakeholder have an influence on one another. A stakeholder becomes a *public* when the stakeholder (or a stakeholder group) becomes more aware of the behaviour of an organisation. This behaviour of the organisation has consequences for the stakeholders and therefore the stakeholders become more active in their communication and conduct.

The Body Shop defines a stakeholder as any group or individual who can affect or is affected by an organisation's impact or behaviour (McIntosh *et al*. 1998:198). According to Carroll (1996:23), stakeholders are individuals or groups with which business interacts, who have a 'stake' or vested interest in the organisation. They can broadly be divided into internal and external stakeholders as well as primary and secondary stakeholders.

According to Carroll (1996:76, 78), primary stakeholders are those who have formal, official or contractual relationships with the organisation, while all other stakeholders are classified as secondary stakeholders. Strategic stakeholders are those who are vital to the organisation and the particular threats and opportunities it faces at a certain time.

A potential for two-way interaction or exchange of influence with stakeholders exists because just as the organisation has an influence on stakeholders, so they may in turn affect the organisation's actions, decisions, policies and practises (Carroll 1996:74).

According to Bronn and Bronn (2003:293), stakeholders are *"all interest groups, parties, actors, claimants and institutions, internal and external to the organisation that exert a hold on it"*. Stakeholders have different views about an issue under consideration.

The King Report on Corporate Governance in South Africa (King 2002:98) suggests that organisations should recognise and consider all stakeholders such as the community in which it operates, its employees and its suppliers, amongst others. All these stakeholders should be considered when developing a strategy for the organisation.

This inclusive approach should also be applied to stakeholders who are relevant to the organisation's business. Relationships between the organisation and its stakeholders should be mutually beneficial.

King (2002) emphasises that a wealth of evidence has established that the inclusive approach causes sustained business success and steady, long-term growth and shareowner value.

> *"Stakeholders have a direct bearing on ongoing corporate viability and financial performance while stakeholder perception and thus corporate reputation is recognised as a significant market value driver. Relationships with stakeholders should be managed accordingly" (King 2002:98).*

The King Report goes on to say that much evidence exists that proves that this inclusive approach is the correct way to create sustained business success and long-term growth in shareholder value.

This is in line with the thinking and advocating of the communication management science. Shareholders therefore have a direct concern in the ongoing corporate viability and financial performance of the organisation. Furthermore, stakeholder perception (and thus corporate reputation) is recognised as a significant market value driver. Relationships with stakeholders should be managed accordingly.

But, as Haywood (2002:10) warns *"many of the audiences on whom we depend for our business success are not in business with us. They often have a very different agenda, but one that matters…"*

Carroll (1996:91) states that organisations must continuously assess their responsibilities towards their stakeholders and define strategies and actions for dealing with them. Also relevant to this study is Caroll's (1996:659) description of issue management as the process by which organisations identify issues in the stakeholder environment, analyse and prioritise those issues in terms of their relevance to the organisation, plan responses to the issues, and then evaluate and monitor the results. This will become evident during the case study in Chapter Five where informal feedback issues will be analysed.

John and Thomson (2003:2,8,10) stress that younger people are often more clued up on

issues that they feel are important and relevant to them, in particular about the environment. Various organisations exist nowadays that help shareholders organise themselves, inflict defeat on company boards and have their say in the running of organisations. With modern technology like cellular phones and e-mail, it has become much easier for stakeholders to become involved in radical forms of activism in organisations.

The King Report (2002:97) identifies the following useful categories of stakeholders for an organisation:

- *Shareowners* as providers of capital;
- *Parties that have a contractual interest in the organisation* (For example customers, employees, suppliers, subcontractors and business partners);
- *Parties that have a non-contractual interest in the organisation* (For example civic society in general, local communities, non-governmental organisations and other specific interest groups such as activist groups). They provide the organisation with its license to operate and thereby exercise an influence on its ability to achieve its goals. Special interest groups may be concerned about issues relating to market stability, social equity and the environment;
- *The state* and policy-maker, legislator and regulator of the economy.

Stakeholder mapping entails that organisations plot a range of stakeholders and the relationships of those stakeholders to the organisation. It can be applied to both situations and organisations (McIntosh *et al.* 1998:202).

Unerman and Bennett (2003:660,663) state that only through engaging in effective stakeholder dialogue can organisations develop an understanding of their stakeholders' expectations. Proper corporate governance and accountability should focus on addressing the stakeholders' social, environmental, economic and ethical expectations. However, some stakeholders may be so remote, hide so well and be affected so indirectly that the organisation does not recognise them at all.

4.6.2. Reputation management and stakeholder engagement

An organisation's reputation is influenced by so much more that just visibility through advertising. A key conclusion of Fombrun and Van Riel (2004:105) (in Chapter Six of their book *Fame and Fortune. How Sucessful Companies Build Winning Reputations*) is that advertising is not really as powerful a tool for creating visibility as it once was. Name recognition is built with more credibility through earned media coverage than through paid promotions.

Organisations of today know the difference between mere image building and enhancing corporate reputation. To build enduring and resilient reputations it is necessary to build strong relationships with all stakeholders (including employees, investors, customers, communities the organisation serves, pressure groups, government agencies and several other specialised groups) and to meet their expectations (Fombrun 1996:60).

Reputation management and proper stakeholder engagement are interdependent of each other. Stakeholder engagement or the lack thereof as well as managing stakeholders informal (and formal) feedback issues have a direct influence on the organisation's reputation. Reputation matters because it involves perceptions that in turn have a direct influence on the behaviour and judgements of individual stakeholders. Why is it that a South African company like BMW (SA) recently came out tops as the most popular organisation to work for amongst university graduates? Surely it has to do with image, strong brands and ultimately a sound reputation.

The reasons may be in the summary by Fombrun (1996:5) when he says:
> *"A reputation is valuable because it informs us about what products to buy, what companies to work for, or what stocks to invest in. At the same time a reputation is of definite strategic value because it calls attention to a company's attractive features and widens the options available to its managers."*

Fombrun and Van Riel (2004:4) state that although an organisation may have a strong product or even corporate brand, it can still have a weak or poor reputation. Where branding mainly influences purchases by consumers, reputation affects the likelihood and supportive behaviours from all the brand and organisation's stakeholders.

Branding is therefore an element of reputation.

Fombrun and Van Riel (2004:xxv,7) warn that reputation is proving to be a resilient asset to some companies in an increasingly competitive and difficult marketplace. This is evident from following the daily news. Reputations are worth everything to all organisations because they are both valuable and vulnerable.

Reputation is also of particular concern to knowledge-based institutions like consulting and law firms, banks, hospitals and universities because the services they provide (their most valuable assets) are mostly intangible (Fombrun 1996:7).

Reputation is defined in the King Report (King 2002:98) as a *"function of stakeholder perception of an organisation's integrity and efficiency, derived from many sources such as customer service, employee relations, community relations, ethical conduct, and safety, health and environmental practices"*. Engaging actively with stakeholders helps fuel strategic planning and risk management. According to the King Report (King 2002:99), the real measure of organisational integrity (and the basis of sound relationships with stakeholders) is in the tangible evidence that an organisation practices what it preaches in all areas.

The smart organisations of today welcome the growing interaction with human rights and environmental groups because they sharpen the organisations' competitive edge and prepare them better for the global market. The new corporate citizenship lies at the heart of strategic planning (McIntosh *et al.* 1998:4, 35). However, John and Thomson (2003:267, 278) warn against the new activists who are roofless in their attack of organisations. They achieve an impact far beyond their sizes and resources. The power to engage or disrupt is in the hands of those who do not comply with orderly processes and decent interaction.

Economic institutions as corporate citizens should engage in a much broader role: they should act as *value creators* rather than mere *profit makers*. The term value has meaning to all stakeholders and not only the financial owners (shareholders) of a business. This takes the value of the organisation and its products to another level, taking into account its reputation, potential for growth, history and future.

A broader definition of commercial success is therefore required of organisations to survive in the new economy (Bishop and Beckett 2000:32).

Fombrun and Van Riel (2004:53) provide six dimensions of reputation in their reputation quotient. They are: Emotional appeal, products and services, workplace environment, financial performance, vision and leadership and social responsibility. Each of these six dimensions contains certain attributes that have an influence on the corporate reputation of the organisation. These writers also describe five key ingredients for building excellent reputations: visibility, transparency, distinctiveness, consistency and authenticity (Fombrun and Van Riel 2004:86).

It is of utmost importance that organisations report on stakeholder issues through the most appropriate medium and in the most appropriate manner so that all stakeholders of the organisation understand its achievements (King 2002:100). This is at heart a two-directional exchange where the organisation should be equally willing to listen to the voice of stakeholders. Informal feedback can serve as one channel for the voice of stakeholders.

Fombrun and Van Riel (2004) summarise the reasons why reputation matters for different stakeholders as follows:

- Customers: Reputation affects purchase decisions;
- Employees: Reputation affects decisions to engage, commit, stay and work hard;
- Investors: Reputation affects investment decisions – lowers costs and attracts new investments;
- The media: Reputation affects coverage – more favourable coverage; and
- Financial analysts: Reputation affects content of coverage and recommendations.

The writers came to the conclusion that reputation matters because it affects the strategic positioning of the organisation. It shows an organisation's ability to convince all stakeholders about the current and future validity of its strategic direction and path (Fombrun and Van Riel 2004:20).

Ströh and Jaatinen (2001:162) further argue that communication management might be seen as an important contributor in guiding transformation in terms of building relationships within and outside the organisation. By doing that, communication management actually facilitates successful strategic change management. Communication managers should take leadership roles by facilitating participation through dialogue and by providing networking structures. They can be research experts in organisations by doing environmental scanning (and feedback sourcing) and by providing information on emerging issues around which the organisation needs to adapt.

While the organisation tries to understand its stakeholders, it must at the same time be prepared to continuously test and update its own world-view. An absence of a common starting point on important issues leads to misunderstanding and disagreements between communication parties. As the organisation gains more knowledge about its internal and external environment, it becomes increasingly capable of dealing with new challenges. The role of the communication manager is then to help the organisation to update and surface its worldview (Bronn and Bronn 2003:295). Haywood (2002:22,40) feels that public relations should be defined in terms of its ability to manage corporate reputation. Everyone in the organisation is responsible for the reputation of the organisation. This should be written into the contracts of employees.

Bishop and Beckett (2000:33,34) believe that the new economy requires identifying the management of intangible assets as well as hard assets. Organisations engage in accounting for value across the so-called triple bottom line that aims to measure performance across three parts – social, environmental and economic. The difference in emphasis between the old and new economy is presented as follows:

Table 4: **Shareholder value vs stakeholder value**

Shareholder value vs stakeholder value	
Results-driven tangibles	**Value-driven intangibles**
Bottom-line profit focus	Long-term perspective
Short-term perspective	Triple bottom-line
Exclusive	Inclusive
Monologue	Dialogue
Internal process focus	External focus/ inclusivity
Crisis management	Risk management
OLD ECONOMY	**NEW ECONOMY**

SOURCE: Bishop and Beckett (2000:33)

The organisation TXU Europe recognised the need to address its stakeholders' concerns as part of its continuing drive to achieve sustainable development. TXU started the process through:

- Founding a formal external body where issues raised were referred to the organisation for consideration in business strategy; and
- Founding a dialogue programme with stakeholders that identifies key aspects of their business sustainability (Anonymous 2001:2).

Every organisation has a greater or lesser amount of reputation capital. For organisations to learn how to actively manage reputation capital and the human and intellectual assets embedded in it, is the most crucial and strategic task of today's executives. Better-regarded organisations build their reputations through integrating economic and social considerations into their competitive strategies. It is about *doing the right things* and not only *doing things right*. Stakeholders trust those companies that they respect and grant them the benefit of the doubt in difficult situations (Fombrun 1996:9,10).

However, reputation management and stakeholder engagement is not an easy task. Although an organisation must have long-term economic sustainability and financial stability to serve all stakeholders, the expectations of different stakeholders may work against each other at times. For example, investors prefer high earnings while consumers demand high quality and service; employees agitate for bigger earnings and communities request bigger donations and environmental support.

These last mentioned demands tend to drain high earnings for investors and therefore work against their expectations. However, having a good reputation can also reduce certain operating costs of the organisation because a reputation provides leverage in negotiations with suppliers, creditors and distributors. It is also easier for the organisation with a sound reputation to recruit new employees and to motivate them (Fombrun 1996:71,75,76).

In conclusion, Fombrun and Van Riel (2004:220) warn that corporate reputations are vulnerable to attack from all stakeholder groups – be they individuals or companies, distant groups or powerful institutions. It is not about engaging with only the powerful stakeholders, but also about interfacing with the broadest possible spread of stakeholders and establishing a dialogue with them that can help to consistently address their expectations.

The fact remains, a strong reputation creates a strategic advantage for the organisation.

4.7.   FEEDBACK

Positive feedback was initially considered to be very important, but negative feedback later received increased intention. Since approximately 1961, the role of positive feedback was emphasised again in the development of social systems. It was Klaus (In: Ballé 1994:36) who stated that cumulative feedback occurs when reaction leads to loss of the system's stability while this feedback can lead to qualitative changes or disturbances in the system. Compensation feedback occurs when reaction helps to maintain the stability of the system (Fauconnier 1985:78). Feedback is also the information gained by the source on the result of the communication process that he started. Mayr traced the history of feedback to Ancient Greece and he credited one Ktesibios (250BC) with the first known feedback device (In: Ballé 1994:36).

4.7.1. Negative feedback

Negative feedback is information that leads to a reduction in the deviation with respect to a specific norm. An example of negative feedback is a co-worker's angry face when somebody makes a noise while he is talking on the telephone. His angry face is negative with regard to the deviation.

Marion (1999:75) refers to feedback that suppresses a certain activity. For example, peer

pressure suppresses behaviour that is seen as deviant and directs the deviant behaviour back to stable, acceptable behaviour.

4.7.2. Positive feedback

Positive feedback is information that leads to an increase in the deviation. In our example mentioned, above the co-workers face will be friendly while he shouts to his fellow workers to make even more noise to congratulate his friend on the other end of the line on her birthday. Marion (1999:76) sees positive feedback as *deviation amplifying* - feedback feeding on itself and pushing itself away from its current status.

According to Fauconnier (1985:78), Marsman drew distinctions between three types of feedback:

- Directly available feedback: As received in face-to-face communication and in question and reply during dialogue;
- Borrowed feedback: By asking other experienced individuals; and
- Anticipatory feedback: Gaining information deliberately by market research and surveys.

The above was with regard to communication processes. However, Fauconnier (1985:78) also mentions three types of feedback with regard to communication systems:

- *Goal-orientated feedback*: Occurs when outside data received by the system does not change the system's internal structure in any way. An organisation that receives information on new prices or tax tariffs.
- *Learning feedback:* Occurs when data received from outside the system leads to fundamental changes in the system – within the internal structure. A new production policy for example. It is this kind of feedback that is particulary important to the learning organisation.
- *Cognitive feedback*: Fauconnier called it a "vague concept" where the "consciousness" of an organisation (for example a management board, a political party or university) uses primary and secondary information and feedback leads to the application or non-application of supplementary, new information.

Feedback implies some thought where the receiver (or the original source) intentionally gives

the feedback. When the communication process A $\rightarrow$ B leads to feedback B $\rightarrow$ A, source and recipient exchange roles and a new communication process takes place. B's feedback could, however, not always be intended for A or there could be no feedback at all (Fauconnier 1985:79).

An angry newspaper reader (B) may send an angry letter to the paper (A) about something he read in the paper. His feedback is not intended for the editorial staff or newspaper but for that which the article contains. A may, however, still learn something from B in the process. In circular communication it is not always as clear whether event A occurred first followed by B.
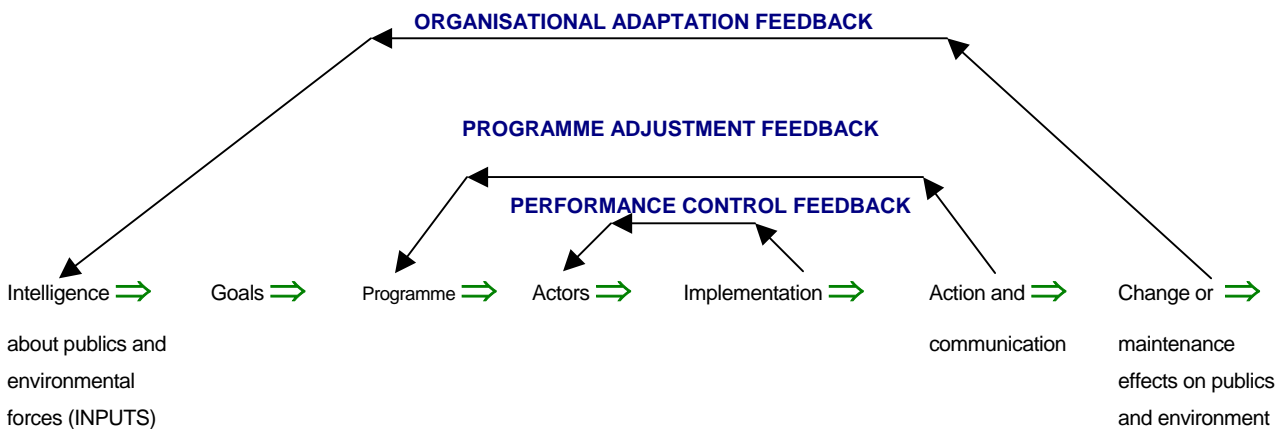
Fauconnier (1985:80) argues further that the main function of feedback is as an aid to successful communication. What will happen if communication feedback is totally absent? This is one of the major problems with mass communication. 'Approving feedback' is often stimulating while 'disapproving feedback' often leads to changes or adaptation of the communication content.

Feedback in an organisational context is often used in production and human relationships and especially in small group dynamics. Feedback can become a political instrument when viewed from a macro-economic and demographic perspective (Fauconnier 1985:83). The term is also often used in psychology and pedagogics in, for example, the well-known Johari Window diagram where feedback plays a major role in opening up hidden aspects of personality known to the subject itself or known to others. The sole aim of feedback in this regard is to improve interpersonal relations.

According to Henderson and McAdam (2003:778), feedback plays an important role in establishing a work environment in which staff are motivated to perform to their maximum potential. Feedback provides the context and the opportunities for both employees and organisations as a whole, to learn and make sense of information. Feedback also triggers dialogue and collective thinking (Henderson and McAdam 2003:780).

Broom and Dozier (1990:19) illustrate the role of feedback by means of the *Public Relations Feedback Model* of Glen M. Broom, as adapted from Jerald Hage.

Figure 13: A public relations feedback model

ORGANISATIONAL ADAPTATION FEEDBACK

PROGRAMME ADJUSTMENT FEEDBACK

PERFORMANCE CONTROL FEEDBACK

Intelligence ⟹   Goals ⟹   Programme ⟹   Actors ⟹   Implementation ⟹   Action and ⟹   Change or ⟹

about publics and   communication   maintenance

environmental   effects on publics

forces (INPUTS)   and environment

SOURCE: Adapted from GM Broom (In*:* Broom and Dozier 1990:19)

Fauconnier (1985:85) concludes with the importance of feedback as an aid to successful communication because faulty communication could be prevented or corrected by means of feedback. In organisational theory, feedback features prominently as an instrument of control for bringing about changes in management, for example.

Carr and Johansson (1995:36) use the model of W. Warner Burke and George Litwin in their efforts to help companies manage change. The model looks like this:

Figure 14: Burke-Litwin's Model for managing change in organisations
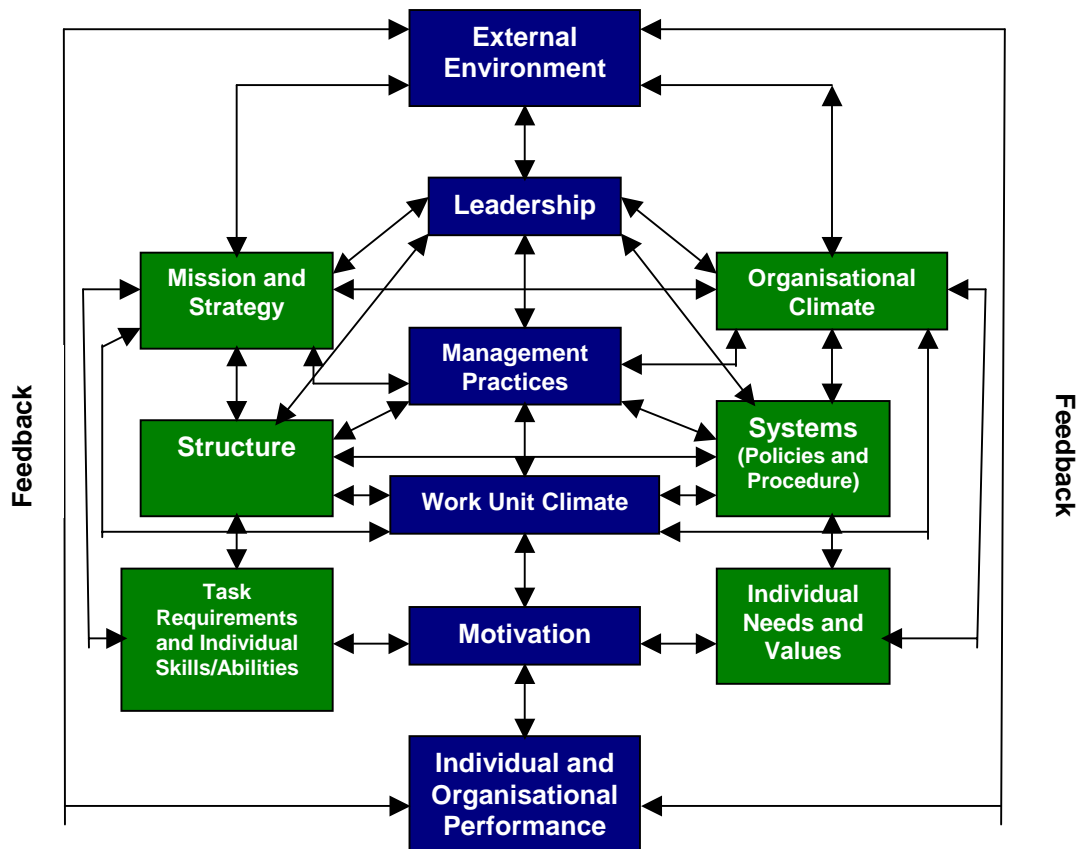
SOURCE: Carr and Johansson (1995:36)

Two-directional feedback is a prominent feature of this model, in particular between the external environment and individual and organisational performance. In this model, change within an organisation is spurred by the external environment. However, the feedback could also originate from within the organisation and will eventually affect the external environment.

Pollock (2002:10) strongly feels that feedback is the single-most important technique in achieving better communication. It transforms communication from a shot in the dark into a two-way process that allows both speaker and listener to ask questions. Feedback does not only come from words, but also from behaviour such as facial expressions and gestures that reveal impatience, lack of enthusiasm or agreement and animosity.

Bhasin (1997:49) has shown us that developing good relationships in the workplace depends on taking the risk of asking for, receiving and giving feedback. She calls feedback "a tool we can use to make the known larger than the unknown".

4.7.3. Secondary and primary feedback

Cunningham (1994:33) links what he calls *visual acuity* (really seeing what is going on) to the concept of feedback. According to him the term feedback has been horribly misused in management and has become associated with someone expressing a view about something to another person. Cunningham calls this *secondary feedback* and admits that this may be based on data, but is somebody's view or opinion on something.

Primary feedback is, however, sensory-based data that one can see, hear or feel. According to Cunningham (1994:35), good salespeople, presenters and golfers and tennis players work on this kind of feedback. They don't need somebody to tell them, they can see it (in facial changes, body movement, etcetera) and hear it. Strategic learning is ideally based on primary feedback. The trick is to try to keep clear of generalisations, especially with informal secondary feedback. But, as is the case with qualitative research in comparison with quantitative research methods there could be truth in both kinds of feedback.

According to Birkner and Birkner (2001:9), effective feedback must be two-way, engaging, responsive and directed toward a desired outcome. Feedback can be measured if there is a set of specific, observable performance objectives at the beginning of the communication cycle and if delivery methods appropriate to the person or audience, such as face-to-face presentations, verbal, written, nonverbal, inesthetic or computer-based, are used. To be more effective, messages should be kept straightforward and simple.

4.7.4. 360-degree feedback

The basis of 360-degree feedback is that employees obtain feedback from fellow workers in their own circle of influence and from their supervisor and not from their supervisor alone as in traditional performance appraisals. The evaluation and feedback comes from different directions – top, bottom and sideways – from their circular notion.

For purposes of this study, the 360-degree feedback method is seen as a typical formal feedback process and will, therefore, not be discussed in detail. The principle of employee work-related feedback to fellow employees could also sometimes be seen as *informal* feedback when it happens spontaneously and is not part of the formal 360 degree process.

A worker could, for instance, write an e-mail to a colleague or phone him or her up to give them a suggestion or tip regarding their work or task. This is not regarded as part of the sphere of communication management strategy and corporate feedback that is the focus of this study, but rather slots in with human resources strategies. However, elements of feedback obtained from other sources than co-workers, for example, internal and external customers, form part of the 360-degree feedback evaluation process and can be of significance on a corporate level and with regard to communication management.

Still, there is much to learn about the general principles of feedback through the 360 degree feedback process and its particular significance for teamwork, continuous learning, self-development and individual responsibility. A few points need to be examined.

According to Edwards and Ewen (1996:9), the 360-degree feedback process offers extensive and diverse benefits to key stakeholders in the organisation as well as to the organisation itself. The process helps to strengthen customer-supplier relationships. It also gives leaders and managers the opportunity to tap information from the organisation that may otherwise not be shared with them for fear of reprisal. Employees may identify areas of concern and provide suggestions for improvements. It can lead to better human resource decisions, enhanced quality control, increased employee motivation and provide an opportunity to align vision, values and competencies. Organisational surveys are but one method where 360-degree feedback methods can be applied from a communication management perspective.

360-degree feedback becomes a useful method to communicate the new competencies required by the new values if organisations change their cultures to align with their new vision and values. It also provides a multisource system with accurate assessments of modern organisational applications such as knowledge workers, matrix and project management and participative leadership.

It often leads to improved communications that result in better customer service.

Edwards and Ewen (1996:20) warn against internal informal feedback systems with regard to employee evaluation and performance appraisal and the 360-degree feedback process. This can be understood in the light of the requirements of objectivity, anonymity and fairness in the management of employees. The writers, therefore, rather suggest that a multisource feedback system, such as a comprehensive 360-degree evaluation system, be used.

Although 360-degree feedback methods are mainly applicable to human resource strategies and aims, it seems that there are relevant outcomes in areas such as alignment of cultures with vision and values, monitoring relationships that are related to communication management objectives. It is also of particular interest to organisational leaders and for leadership perspectives (Edwards and Ewen 1996:20).

4.8.   CHARACTERISTICS OF EFFECTIVE FEEDBACK

According to Lawrence and Wiswell (1995:49), feedback needs to be two-way, engaging, responsive and directed toward a desired outcome to be effective.

Effective feedback relies on three useful tools: specificity, empathy and inquiry. (Birkner and Birkner 2001:10). Lawrence and Wiswell (1995:49) call it the *three primary element*s of feedback.

4.8.1. Specificity

Specificity refers to factual information and avoids abstractions and perceived attitudes. It is most helpful when it is task-orientated and outlines solutions, while constructive input can be positive (reinforcing) and negative (correcting). Feedback has to be specific to avoid misunderstandings, misperceptions and disagreements between the communicating parties. The less specific the feedback is, the weaker the impact. Specificity depends on the descriptive information that refers as much as possible to the actual behaviour. This is also feedback that avoids abstractions, perceived attitudes and personal traits of the person it discusses. It is accurately detailed and factually verified and documented.

Specific feedback can also be either positive (reinforcing) or negative (correcting) while both can be constructive. The source of a feedback message should collect, evaluate and share specific data in order to describe a situation that has occurred (Lawrence and Wiswell 1995:49,50).

But, according to Lawrence and Wiswell (1995:51), the use of specific feedback does carry risks. Some people may avoid it because they are afraid of exposing their own lack of knowledge. Feedback in this sense is most useful if it is task or problem-oriented, when it describes preferred behaviours or when it outlines problem-solving action plans.

4.8.2. Empathy

Empathy embodies the fine art of listening and reflecting and promotes sharing of perspectives. The characteristics of empathy are openness and truthfulness. Put yourself in the receiver's place by analysing the message in order to better understand it.

Figure 15: A feedback cycle
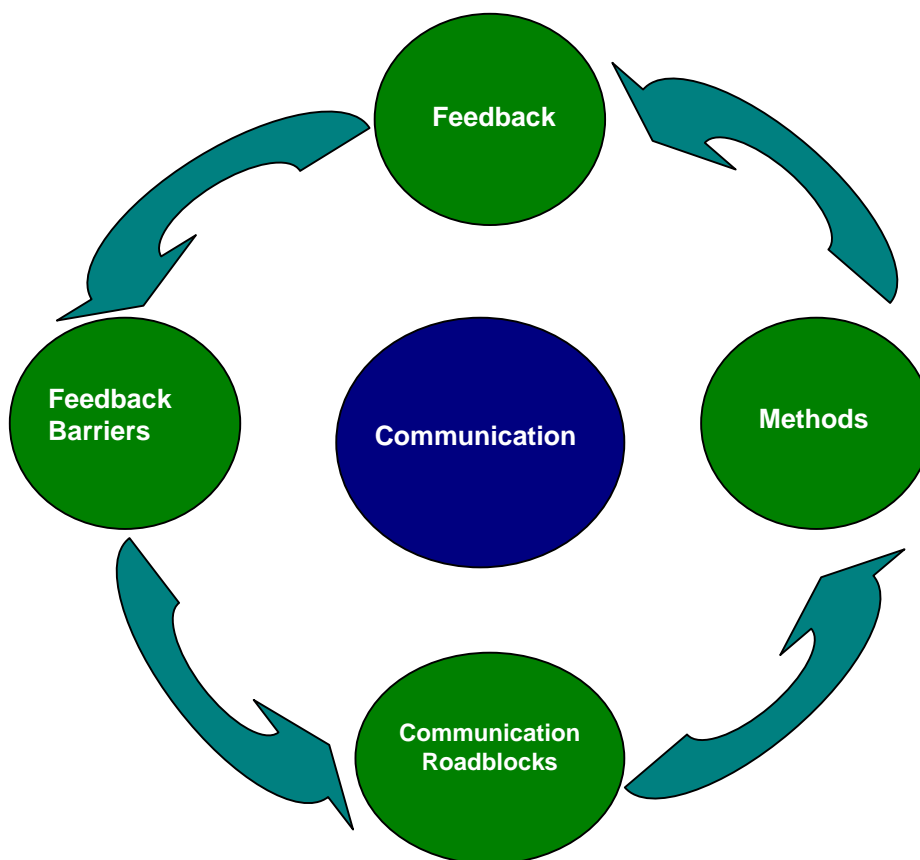
SOURCE: Adapted from Lawrence and Wiswell (1995:51)

Lawrence and Wiswell (1995:52) mention that empathy adds a dimension of trust to feedback. Listening is the core of empathy that leads to the sharing of perspectives. It means that people can put themselves in the place of others. They are sensitive to how other people might think and feel in a particular situation. People with empathy employ honesty and openness in their relationships. When senders and receivers of feedback show empathy they learn to build trust.

4.8.3. Inquiry

Inquiry is the heart of two-way feedback because it tests whether the receiver heard what was intended. Open-ended questions are helpful here to clarify issues. Close-ended questions and 'why questions' tend to make people defensive.

Feedback senders and receivers open up communication channels and confirm data while using phrases such as "What do you think about my comments?" It seeks to learn whether people understand and agree with the message or if they do not agree what their views are. Using inquiry can also be risky and therefore many people would rather observe than inquire. Open-ended inquiry can also be used to mediate conflicts. Inquiry of feedback often provides new perceptions that are in conflict with old beliefs (Lawrence and Wiswell 1995:54).

Lawrence and Wiswell (1995:54) mention that the sharing of information could lead to several outcomes that help both parties in making decisions, following directions, correcting errors and confirming beliefs about themselves and others. A meaningful exchange requires several additional elements:

- It needs to be credible, because feedback recipients are more likely to view feedback seriously if it comes form respectful sources;
- The second important element is *timeliness*. It should be shared soon after the event that triggered it. Immediacy supports and enables productive change;
- How a person delivers the feedback is as important as what is said. A skilful feedback provider avoids blaming and an authoritarian style.

4.9.   THE BLOCKING OF FEEDBACK

Feedback in the workplace may be hindered because of reasons such as:

- Inequity of power in the decision-making process;
- Workers may feel frightened to request two-way feedback;
- Criticism may cause humiliation or loss of face; and
- Supervisors may not think that two-way communicate is necessary.

Lawrence and Wiswell (1995:54) mention that problems might arise between two parties involved in feedback exchange if one of the parties thinks the process is unnecessary or if they feel that they are competing with each other. Many subordinates may also feel intimidated by their superiors. They may think that they have nothing to learn from each other or that "somebody else" will give the feedback. A perceived imbalance of power within a group can also lead to problems with two-way feedback. Diversity issues or different levels of experience and seniority may interfere with effective feedback.

4.10. FEEDBACK AS LEARNING AGENT

According to Birkner and Birkner (2001:9), two-way feedback supports continuous learning in the workplace. The feedback loop is missing or 'assumed' in the old military or top-down, one-way model of communication still often used by organisations. As the military organisational model makes space for the modern internet model of communication, effective feedback becomes central in our lives – in both our work and personal lives.

Bad relationships between communicative partners are often the most important barrier to effective feedback and therefore result in ineffective communication.

McGill and Slocum (1994:125) state that the effectiveness of any learning organisation hinges on its ability to gather accurate information about the effects of its behaviour and to use that information to modify behaviour. Smarter learning organisations should therefore have systems that:

- Generate accurate and timely feedback;
- Make this feedback available to everybody who needs it; and

- Provide feedback in a form that can be used to alter experience and ways of

experiencing.

It is only through obtaining information about the effects of behaviour that we can modify or correct that behaviour. McGill (1994:126) goes on to say that the quality of learning in an organisation is a direct product of the quality of feedback generated by the organisation's systems. If there is no feedback, there will be no learning and where feedback is inaccurate and untimely, learning is limited.

The aim of smarter organisations should be to create systems that provide quality feedback to management, which they can use to change experiences or ways of experiencing. When information is readily available in real time when potential harmful things are happening, there is time to adapt or make a detour from the expected results before it becomes a disaster.

Feedback is important to the communication manager because he or she must check how well messages are accepted by the audiences that the organisation is trying to influence (Haywood 2002:22).

Systems in smarter learning organisations combine information gained with action. Employees should understand how their job relates to the welfare of the entire organisation and how the information they gain through feedback can be applied to enhance the welfare of the organisation as a whole. McGill (1994:135) believes that in order to create a learning system, organisations must not only unlearn their views on power and those who have access to powerful information, but must also unlearn the way they view their own actions.

Fundin and Bergmann (2003:55) researched customer dissatisfaction in connection with failures or malfunctions of a product and targeted three organisations that belong to multinational companies, who have a similarly long history within the Swedish manufacturing industry. They found that the organisations have systematic processes to handle customer issues and that they have good relationships with their customers. However, they found that there is no formal structure for transferring customer feedback to those involved in the development of new products.

Although there are many feedback mechanisms, no systematic process could be found

that links customer dissatisfaction to new product development processes and the planning of future products.

According to a recent study conducted by the American Productivity and Quality Centre's (APQC) International Benchmarking Clearinghouse on the use of customer feedback as a catalyst for change, best practice organisations use customer feedback to drive organisational change. These best practice organisations have specific standards for acting on customer feedback and they encompass more information and use multiple channels for timely distribution. Their ongoing feedback mechanisms provide means for improved customer service, the ability to change and therefore to stay competitive (Bergin 1997:82,83).

4.11. THE ROLE OF INFORMAL FEEDBACK

What is informal feedback? For purposes of this study *informal feed*back is regarded as all feedback into the system (the organisation or company) that occurs spontaneously. In other words, feedback that is delivered by members of interest groups without the organisation putting in any formal effort (such as surveys or research) to obtain it. Obviously organisations should set the table for interest groups to easily provide this kind of feedback by means of, for example, promoting telephone and fax lines, feedback e-mails, complaint handling procedures and web and postal addresses. These actions are seen as part of promoting the accessibility of informal feedback.

Sampson (1998:72) calls this feedback process *passive solicitation of feedback.* The organisation has little or no control over the sample selection and non-response bias since the respondents are completely self-elected. Passive solicitation of feedback (informal feedback) has certain advantages. The biggest advantage is its low cost. Another advantage lies in the use of the data.

According to Sampson (1998:72), the data is not as useful as market research because it is inherently biased. However, the nature of the bias can be exploited. One may assume that customers with exceptionally positive or negative views are more likely to respond. This may result in an extreme-response bias that will be more likely to identify current quality problems than a survey of equal sample size.

Passive data collection is therefore particularly useful in monitoring and controlling quality in

the day-to-day operations of an organisation. It is also useful in identifying ideas for quality improvement.

Informal feedback is often regarded as being less important and is often not measured or even captured in some form of system. Informal feedback can either be received from internal stakeholders, like staff or even management, or from external stakeholders like pressure groups, clients, political groups of individuals, shareholders, etcetera. There are a number of different ways of receiving informal feedback:

- By means of direct observation;
- Through e-mails, telephone conversations, toll-free numbers, SMS's and faxes;
- Through the organisational grapevine, gossip and rumours;
- Through a visible change in attitude and behaviour;
- Through voluntary comments (verbal or through comment cards, etcetera);
- Casual comments (verbal, face-to-face or written) by members of a stakeholders group;
- Through website services, e.g. chat rooms, internet online comments; and
- Letters to the press or opinions expressed in the media.

Oganisations are often pre-occupied with numbers and the capturing of exact data. An organisation's administrative systems are therefore often designed to make things easier and more efficient to administer. Tidy and orderly systems do not necessarily lead to accurate, timely, available and useful information. Many such systems tend to manage the system instead of the substance. This can lead to managing the wrong problems with absolute accuracy. One such example is in the customer service areas of organisations where 'facts' like the speed of answering the telephone is often measured and not the informal nuances and feelings.

Anonymous (2002:1) mentions that feedback provides an opportunity for individuals to grow by seeing themselves from another's point of view and it helps expand their options for future work. The same should be true of organisations. Informal feedback provides chances to adjust performance and improve skills – it's about fine-tuning. It provides chances for growth, adjustment and change.

Sampson (1998:73) mentions that much research has been done regarding the active

solicitation of customer feedback.   However, research regarding passive solicitation of customer feedback is very scarce. Research pertaining to the feedback potential of the Web is particularly scarce. Passive solicitations of feedback itself are common on the Web. Almost every company's web pages have some or other opportunity for providing feedback nowadays. As illustrated later in this research study, the methods and ways of dealing with and presenting opportunities for informal (passive solicitations) feedback differ vastly.

Sometimes the distinction between informal feedback input and more formal feedback gathering is very difficult to discern. We must therefore also recognise that there are grey areas that should also be investigated.

4.12.   EXAMPLES OF INFORMAL FEEDBACK

Facts usually do not capture *feelings.* An ongoing reliance on facts and analysis in operational processes could therefore limit learning. Intuition and emotion are frustrated by analysis.   In the learning organisation the limits of facts and analysis as feedback indicators are acknowledged (McGill 1994:144).

Smarter organisations recognise the importance of forthright feedback that allows for the evaluation of experience. Rationality and the value of intuition are equally valued together with facts and analysis.

Senn and Childress (1999:95) see feedback and coaching as core values in high-performing organisational cultures. Other core values are integrity, openness and trust, respect for the individual, personal accountability and empowerment, openness to change and innovation, teamwork and organisational health.

Thompson (1995:86) argues that children acquire new understandings through a rich process of experimentation that flows from openness to feedback when interacting with its environment. The way a child experiences feedback is a model for the way that living systems (other than adult humans) function – they pay close attention to the environmental response to their behaviours. They quickly learn to build cause and effect relationships.

Why is it then that organisations tend to ignore informal feedback from their environmental systems (their stakeholder groups)?   As adults, we are much poorer learners than

children. All living creatures have elaborate systems of corrective feedback. However, when we look at organisations we see that most have elaborate systems that preclude feedback.

Gut feel

According to Gregory (2003:49), Markus Venzin of SDA Bocconi once stated that companies should value personal intuition and use their 'gut feelings'. Intuition should be encouraged and incorporated into corporate strategy.

Although 'gut feeling' is often the winning criteria in personal decisions, organisations are seen as too complex, abstract and accountable to allow gut feel to prevail. As the idea that a company's overall goal was to make profit, emerged through centuries, decisions were almost automatically weighed against the profitability of the actions or outcomes. This is known as the 'financial-decision'. This has come to be the rational way of making decisions.

This kind of decision-making is often the easy way of avoiding the problem of communication across departments and functions such as sales, manufacturing, HR, etcetera. As each has its own judgements and values, money is often chosen as the common language across borders since everybody has to deal with budgets and accountability of results (Ballé 1994:4).

However, the financial language can be very distant from the operational problems of the different departments. The only message that the financial analysis usually conveys, is that a specific department performs well or badly. The real reasons, solutions and root causes of the problems are not analysed or discussed.

With regard to the investigation of messages and their content in communication theory, Skyttner (1998:157) states that the *internal message* (as opposed to the external message) is the real content of transmission – subtle ideas, emotions and the possibility of 'reading between the lines' are typical of its content.

Left and right brain thinking

Rationality can be investigated according to the old debate of left-brain and right-brain

thinking and then applied to organisational culture and structure. Western cultures have a tendency towards rational thought (largely left-brain), while oriental cultures place more emphasis on right-brain activities involving more holistic, timeless and synthetic approaches (right-brain orientated). Left-brain thinking generally asks for facts and not feelings. An over-emphasis towards this kind of thinking may blind us for 'non-measurables' that can, however, be very forceful.

According to Ballé (1994:11), this story symbolises the risk of complexity. The typical left-brain organisation will tend to focus on making profits rather than on the well-being of its employees while the right-brain organisation will believe that it is the quality of the relationships between people and the well-being of various stakeholders that help it to function effectively. That is the real goal. A more holistic view, however, argues that both elements have to be included in the equation. There is nothing wrong with making a profit, but it becomes problematic when every decision is considered in this regard.

Ballé (1994:14) continues to argue that the major problem with left-brain thinking is that it tends to focus on *outputs* rather than *outcomes*. Outcomes are described as overall results of our actions. The real solution lies in the way we design the structures and operational policies of our organisations. We must be able to understand how each part of the organisation affects any other part and that outcomes result from the whole system and not just from each of the parts.

Ballé (1994:18) concludes that the alternative right-brain thinking is also not a complete solution because it mostly contains non-verbal emotions and images. Organisational behaviour is dynamic – not static and therefore we have to understand that stability is an illusion. To be adaptable is the only hope for survival, but for that we need to think dynamically.

Instinct

It took us more than a century to realise that staff morale was a necessary element of long-term corporate success. History taught us that many a disaster could be avoided if people were more willing to act on certain instincts. One such example is the Challenger space disaster where one engineer's convincing efforts that certain pressure points would not hold in certain cold critical conditions were ignored in favour of 'more relevant' facts. In retrospect it was established that this disaster was perfectly predictable (Ballé 1994:11).

Xu and Kaye (1995:22) state that information sources for a marketing CEO may consist of formal reporting structures as well as informal information received from personal observations, from informal contacts and from their individual experiences. All these sources contribute to the exercise of intuition and judgement that results in decision-making.

Suggestions and complaints

Kotler (1997:43) states that a customer-centred organisation makes it easy for its customers to deliver suggestions and complaints. Many restaurants, hotels and banks provide service feedback forms where customers can report their likes and dislikes. Hospitals could place suggestion boxes in their corridors, supply comment cards to existing patients and hire a patient advocate to handle patient grievances. Some organisations establish toll free 0800 telephone numbers to make it easier for their customers. This information flow provides organisations with many good ideas and enables them to act more rapidly to resolve problems.

Fundin and Bergmann (2003:55) argue that customers that use a company's current products have feelings, impressions, and sometimes, even disappointments about them. According to Sampson (In: Fundin and Bergmann 2003:55), suggestions seldom contribute to critical business processes because of the perceived small return on investment.

Zairi (In: Fundin and Bergmann (2003:57) argues that a complaint management system should reflect both formal and informal customer complaints and that feedback should be assigned to designated teams within the organisation.

Trend spotting

Food futurist, Art Siemering, is a veteran trend watcher who often visits the "glamour districts" of cosmopolitan cities such as Georgetown in the District of Columbia, New York City's SoHo district, Michigan Avenue in Chicago and so forth to collect informal information about people and trends. He sees direct observation of what people are doing in such places as a form of informal research that Siemering believes should not be underestimated (Anonymous 1998:32).

Ballé (1994:36) came to the conclusion that many of the above-mentioned problems could be solved through the systems approach. The systems approach provides us with superior rationality to our traditional ones because it accepts non-measurable elements, it deals with dynamic behaviours and its focus is not on the individual parts but on the interrelationships between these parts. As previously stated, in systems thinking the organisation is seen as a continuous interplay of the interactions between elements and the people in the organisation are capable of exerting a significant influence on it by modifying some of the relationships.

4.13. INFORMAL FEEDBACK AS EARLY WARNING SIGNAL

One of the major strategic roles that informal feedback can play, is that of sending early warning signals to management on emerging issues of concern. Cummins (2003:730) argues that skilful communicators *"can spot the storm clouds and raise a red flag of warning"*. Informal feedback can prevent a major disaster in time by focusing attention on it before it becomes a major issue.

The role of informal feedback in communication issue management should not be under-estimated. Cummins (2003:730) mentions communicators as early warning systems and elements of the company's 'failsafe' programme. Communication managers should be knowledgeable about industry trends and issues and should also know the company's financial picture well enough to recognise potential problems and to report signals.

Informal feedback can be an effective tool to determine general trends and can act as an early warning agent and indicator of potential damage to corporate reputation.
Bromley (2001:317) states that the impressions of an organisation's operations and outcomes

formed by members of external groups are likely to be different from those of its own internal groups. Insiders are generally better informed and have greater personal involvement, which influences their impression of the organisation. This writer further argues that organisations have limited control over their reputations.

4.14. FEEDBACK AND THE INTERNET

Ihator (2001:202) states that internet communication has enhanced two-way communication between organisations and their publics. Online discussion groups can digest information in real-time and around the clock. Easy access to decontrolled and unfiltered information by the public makes reputation and crisis management difficult to control. In the same way the internet has allowed organisations to share power with their publics and foster two-way communication. Rapport between organisations and their publics has become more interactive and multidirectional. Consumers have a ready medium to deliver their complaints or praises. On the other hand, corporations also now have the opportunity to deliver information to their publics in real time.

If the organisation follows a two-way symmetrical communication model, the internet allows the organisation to engage in two-way interactive communication and dialogue. In contrast with other mass communication mediums, it also allows organisations to build (beneficial) relationships with their stakeholders (Cilliers 2003:126).

Middleberg (2001:109) warns that the internet has brought along a whole new group of stakeholders. It is a great equalizer that has conferred the status of publisher to anyone with a computer. The internet allows anyone to stand shoulder to shoulder with the best that Wall Street has to offer. It is up to the internet users (readers) to track the difference and often they do not. Middleberg (2001:110) believes that it is the public relations professional's job to help journalists and other stakeholder members to find their way to the most authoritative sources of information. According to Kent and Taylor (1998), relationships between organisations and their stakeholders can be created, adapted and changed through the internet.

According to Sampson (1998:71), a widely accepted objective in quality management is to be

customer driven. One way to strive towards fulfilling this objective is to provide systems that gather feedback from customers. The internet offers great potential for gathering and using customer feedback. Every member of an organisation's diverse stakeholder groups is also a potential provider of fast and easy feedback input via web pages. This is emphasised by Haig (2000:40) who states that effective public relations is based on good relationships and good relationships are based on interactivity. It is that interaction that really defines a relationship. The internet is the perfect medium to build relationships because it encourages interactivity.

The internet has changed the way marketers develop strategies and how they see their role in general. According to Hoffman *et al.* (2000:129), the internet dramatically shifts the balance of power between a business and its customers and, therefore, radical new business strategies are required for long-term success.   The Web offers unprecedented opportunities for interacting with customers (and all other stakeholders as well).   Strategies that take advantage of this medium's unique features are likely to succeed in improving customer satisfaction, loyalty and retention of customers. It is important in the long run to develop profitable exchange relationships with online customers and to gain their trust.

The researcher believes that ample informal feedback opportunities can provide the foundation for building these much-needed trustworthy relationships.   Not monitoring all feedback and only reacting to those who appear credible may have daunting consequences. Organisations such as Intel and Ford can vouch for this. In Intel's case, in 1994 they did not give any attention to a professor's announcement that he had discovered a flaw in the first version of the Pentium chip. After getting no reaction from Intel, he turned to the internet's complaint forum and aired the flaw online in a Newsnet newsgroup. This resulted in the story being carried in *The New York Times* and soon Intel had a major crises on hand that cost them half a billion dollars in the end. All of this as a result of not responding to a single e-mail. A similar crisis hit Ford when they refused to acknowledge that the self-ignition of a consumer's new Ford truck was faulty, and caused it to catch fire. This cost Ford between $200 and $300 million in the end. In the internet age, consumers have learned to strike back through the internet's complaint forums (Middleberg 2001).

Feedback can take many forms – including on-site customer complaints (or a complaint from any stakeholder member), calls to toll-free numbers and customer comment cards or electronic customer feedback devices. The breakthrough for the passive solicitation of electronic feedback came with the development of the World Wide Web in 1993/1994. The web represents an electronic communication medium that is user initiated. This is a fundamental requirement of passive solicitation of feedback. Organisations normally post general solicitations for feedback while customers may choose to respond to these passive solicitations. This is similar to customers being presented with comment cards or toll-free customer care lines (Sampson (1998:73).

Internet feedback methods can either by structured or unstructured. A *mailto* option link is a code in an HTML document that opens up an e-mail window on the user's screen so that a message can be typed in the e-mail window and sent to a pre-specified e-mail address in the organisation. This message is unstructured and the user may type any message that he or she likes. This is analogous to toll-free telephone numbers that are also free of structure.

Structured feedback consists of a form in HTML format that may contain text fields, check boxes and drop down lists. After users have entered their information and message, they submit it by clicking on the submit button. The organisations receive the information in a more structured format. This can be compared to customer comment cards (Sampson 1998:73).

Sampson (1998:78) found that, in general, response rates to HTML forms over the internet is quite high, in comparison with more traditional methods like response cards. An explanation for this can be the ease of response and the ease of submission.

Anonymity may also influence response rates positively. Sometimes incentives, such as entry into a contest with prizes, are attached to feedback response. Sometimes promises are made on feedback web pages that somebody from the organisation will respond to the feedback. Another prominent advantage of internet feedback is that data received can be fed directly into a database for trend analysis.

Sampson (1998:78) mentions three uses of customer feedback obtained from the internet:
- Customer suggestions may provide ideas for new services, products and features;
- Such feedback can help to track customer perceptions of current operations. This is done through incident and evaluation questions; and
- Feedback can be used to provide an opportunity for dialogue with the customer.

Nowadays online customer feedback occurs much more frequently and is especially useful in streamlining product design and development processes. Online customer feedback helps find product bugs early, reducing the risk when the product is launched. Involving the customer in the development process sets the organisation in the right direction from the start and eliminates the need for expensive changes at a later stage. It is also important to keep in mind that competitors are constantly seeking feedback on their products and services (Sanborn 2001:40).

Finch (1997:73-76) emphasises the opportunities that websites and the internet offer companies to obtain feedback on their products, services and the organisation itself through monitoring conversations on the internet. These conversations may take place in the form of list servers and Usenet discussion groups, newsgroups, electronic bulletin boards and mailing lists. These conversations and opinions expressed may help to improve products and the quality of services. The challenge is to find out where the products are being discussed, how to access these sites and how to efficiently extract the information. Customers' ideas of improvement can sometimes be very creative. Other writers, such as Middleberg (2001:117), also echoed this idea when stating that due to the anonymity of the internet, gossip is often regarded as an expert opinion. Although many online messengers have no credentials, they deliver their messages with a ring of authority.

Tsang and Zhou (2004:1189) state that internet newsgroups allow shy participants to feel more comfortable when interacting with other people online than they do in face-to-face communication. They suggested that newsgroups could serve as a valuable, new and easily accessible channel for marketers to reach and influence opinion leaders.

Analysing consumers' online conversations can gain insight for marketers into the behaviour of newsgroup participants as opinion leaders or opinion seekers. This insight is difficult to gain elsewhere (Tsang and Zhou 2004:1192). The same writers (2004:1193) also found that newsgroup participants who rely less on offline environments when seeking opinions tend to rely even more on newsgroups.

There are even websites like planetfeedback.com that specialises in obtaining feedback from customers on behalf of other companies.
PlanetFeedback gives companies quantitative insight into what their consumers think of their

products and services and also lets customers put feedback tools on their own websites (Smith 2001:26).

The internet organisation *Intelliseek* hosts the website planetfeedback.com. Planetfeedback helps consumers get results from companies with which they have dealt or want to deal with.   Consumers (and other stakeholders) can lodge complaints, compliments, questions and suggestions on the site. Planetfeedback helps their users to write a letter as well as the relevant copies, and send it by e-mail or snail mail to the right company. They also offer follow up tips and help users to get a response. An easy letter writer helps users to craft perfect letters by capturing their experience, explains their value to the company and asks for a specific resolution. Users can post their online letters on the website for others to read and can also rate their satisfaction on the website when they get a reply from the company. Companies' reaction to feedback is also rated on the site (planetfeedback.com).

Sampson (1998:78) further argues for response acknowledgement with feedback. If much feedback is received in this way, organisations can consider installing a so-called 'mailbot' or 'infobot', which automatically replies to the sender with a generic acknowledgement and thank-you for his/her input. This also confirms with the sender that his/her message was delivered. However, an even more personal response from the organisation is preferred if possible. Some HTML forms allow senders to direct their feedback to a particular department or person. It gives the sender options as to where to submit the feedback. Records can be added to a database to keep track of responses, follow up, etcetera. A database of questions and answers can also be compiled out of a history of feedback inputs.

Websites with automatic opinion tabulation are common these days. By choosing options and clicking on dots, general opinion surveys can be compiled in short time frames. This type of feedback collection and analysis has become a hybrid between customer feedback and market research (Sampson 1998:79).

According to Sampson (1998:80), the limitations and potential problems of web-based customer feedback are:

- As mentioned earlier, responses may be biased;
- It has an inherent impersonal nature. HTML forms are even less personal since the customer is communicating with a computer (the submit button) and not with a person.

This underscores the need for some form of personalised response to feedback.

The design and function of the organisation's website in general could also benefit from regular user feedback. Dernovsek (2003:34) is of the opinion that maintaining an effective online presence is dependent on opinions, feedback and ideas from many sources, just like any brick-and-mortar branch requires the support of many people. Immediate feedback allows organisations to improve their website before disenchanted members abandon the online services.

Esrock and Leichty (2000) warn against the absence of feedback mechanisms on corporate websites. Stakeholders can easily interpret it as a statement by the organisation of the kind of communication relationships the organisation prefers with its various stakeholders. On the other hand, feedback does not constitute only having a feedback button on an organisation's website, but implies an interactive relationship between the sender and the receiver (Cilliers 2003:109).

Another major advantage of regularly obtaining feedback from the internet is the instant nature of the feedback that leads to instant interaction. This is an essential factor in relationship marketing. A company's ability to adjust its marketing plans depends on the speed at which it can analyse incoming feedback. The internet gives companies the ability to customise orders and to build personal relationships. Internet marketing also makes it much easier to react to customer feedback than any other medium (Geller 1998:36-38).

However, not all internet facilities provide ideal stakeholder engagement opportunities. This is illustrated in the case study with Shell Company described by Unerman and Bennett (2003:674). Shell developed an interactive web forum as one mechanism to ascertain stakeholder dialogue and specifically stakeholder debate around pertinent issues that affect Shell. The investigation revealed that the vast majority of participant's in Shell's web forum used it publicise their viewpoints instead of taking part in constructive debate. The stakeholders did not really use the web forum as part of an open and honest attempt to reach mutual understanding.

Unerman and Bennett (2003:680) also conclude that although the internet goes a long way in giving previously unheard stakeholders a voice, it still ignores many stakeholders upon whom

corporate actions of the organisation might have a significant impact.

The ease whereby informal feedback can be received via the internet can also have an overwhelming effect. *The Informal Feedback Intervention Wheel*, which is proposed later in this chapter, can be of some help to organise and systemise thinking and plot potential strategic impact of a multitude of feedback variables.

4.15. FEEDFORWARD

Fowler (1999:183) introduces us to the fundamental process-orientated concepts that are central to systems thinking and production control and supply-chain management, namely feedback and *feedforward*.

He states that:

> *"A pure feedforward system makes no attempt to monitor and feedback the actual value of a controlled variable but rather monitors the state of the input variables which are known to affect the output and use these to estimate and feedforward corresponding control actions to counter the disturbing actions encountered".*

To give and receive feedback has long been considered an essential skill for leaders. Employees in the organisation use feedback to ascertain how they are doing – to measure their performance and to find out whether this is in line with the organisational strategy. Leaders also need feedback from employees, amongst others, in the form of suggestions on how to improve procedures and processes, innovative ideas for new products and services and input on their leadership abilities (Goldsmith 2003:38).

But, according to Goldsmith (2003:38), there is a fundamental problem with feedback in that it focuses on the past – what has already happened. Feedback therefore excludes the infinite variety of things that can happen in the future. In this sense, feedback can be seen as limited and static as opposed to expansive and dynamic. In contrast with this, *feedforward* is to give someone else suggestions for the future and help him or her to learn in order to better their performance or behaviour in future.

Feedforward involves suggestions for the future that may help a person(s) to achieve a positive change in their selected behaviour.

Griffin (1997:1) introduces the researcher to the work of Ivor A. Richards, a Cambridge University professor, who proposed the new rhetoric called the "study of misunderstanding and its remedies". His new rhetoric focuses on comprehension rather than persuasion. Richards believes that meanings do not reside in words, but they reside in people.

When he was 75 years old, Richards wrote an article for the *Saturday Review* on the concept of *feedforward*. Where feedback is the effect of the receiver on the source, feedforward works in the opposite direction. One anticipates the process of acting as your own first receiver so that you can pre-test and imagine the impact of words on an audience. If this 'impact' does not seem as desirable, you can always rephrase the message so that it has a better effect. According to Richards, feedforward forces one to consider the experience of the other person – the receiver. Therefore, communicators who avoid feedforward tend to be dogmatic and those who try to anticipate the effect of their words are often more open-minded. The open-minded communicator questions whether or not they have made their speech clear and even questions the correctness of their ideas (Griffin 1997:7).

Goldsmith (2003:38-40) provides us with several reasons as to why he thinks that feedforward can often be more useful than feedback:

- Feedforward helps people envision and focus on a positive future instead of a failed past. We can change the future but not the past. It can give people ideas on how they can become even more successful than they are right now.
- It can be more productive in helping people to do things. Negative feedback often tends to try to prove that someone was wrong. It causes defensiveness with the receiver and discomfort with the sender. Feedforward concentrates on solutions and is therefore almost always seen as positive.
- Feedforward is especially suited to successful people because they prefer ideas that help them to achieve their goals. They also tend to accept feedback that is consistent with the way they see themselves.
- Feedforward can be given by anyone who knows about the task and does not require personal experience with the individual.
- You can learn much from people you don't know. Feedback requires knowing about the person whereas feedforward requires having good ideas for performing the tasks at hand.
- People do not take feedforward as personally as feedback. Feedforward addresses

something that has not yet happened and can therefore not be criticised.

- Feedback can reinforce stereotyping and the feeling of failure while feedforward reinforces the possibility of change. Feedforward is based on the assumption that people can make positive changes in future.

- Most people hate negative feedback and do not like giving it either.

- Feedforward can cover almost all the same 'material' as feedback.

- Feedforward tends to be much faster and more efficient than feedback because it eliminates the judgement of ideas. The process becomes much more positive for both sender and receiver.

- Feedforward can be a useful tool for managers, peers and team members. Feedforward has no superiority of judgement.

Leaders can improve the quality of their communication in organisations by using feedforward and thus making sure that recipients are more receptive to its contents. This results in a more open organisation where employees focus on the promise of the future instead of on the mistakes of the past (Goldsmith 2003:38-40).

From a communication management point of view, the notion of feedforward can play a formidable role, combined with feedback, in striving for excellence in communication with stakeholders. Imagine the benefits in terms of the quality and impact of messages when communication managers can use feedforward to anticipate the outcome of their messages.

The occurrence of negative feedback can be limited when applying feedforward to fine-tune the organisation's future messages today. Then there is always the added benefit of rephrasing messages even before the receiver receives it, acts upon it and provides feedback accordingly. Feedforward may also play a positive role in communicating strong messages to lesser-known audiences and stakeholders from different cultures or with unique agendas such as pressure groups.

4.16. ORGANISATIONAL GRAPEVINE, RUMOURS AND GOSSIP

4.16.1. Investigating the organisational grapevine

Despite many organisations' and companies' efforts to eliminate, limit or disapprove of the organisational grapevine, it will always be with us because it is embedded in human nature. Wells and Spinks (1994:24) define the grapevine as:

> *"Unofficial communication that flows throughout an organisation without official sanction. This unofficial communication exists in all organisations no matter what their nature of character, and no doubt will always exist".*

It does not officially come from any position or office in the organisation and does not necessarily flow along a chain of command or through an official channel or network for communication. It is the network of social interactions that develop on a personal level among employees.

Other writers like Church and Waclawski (1998:79) are also of the opinion that informal methods of communication will always exist in organisations. Practitioners should not try to remove or divert them, but rather make efforts to enhance the perceptions of the formal internal communication process and/or try to find ways to use the informal mechanisms to one's advantage to reinforce the appropriate messages.

Although the organisational grapevine, rumours and gossip may not be regarded as feedback as such, it is excellent in providing the communication manager with relevant information (informal feedback) regarding issues, perceptions, feelings and opinions. It therefore makes perfect sense that grapevine communication (and for purposes of this study, specifically grapevine feedback) should enjoy some focus and attention in organisational communication and also in this research study.

Akande and Odewale (1994:27) see the grapevine as containing important elements of informal communication. It is a term that originated during the American Civil War when telegraph lines were apparently loosely strung from trees -- an effect that resembled grapevines and that led to messages often being distorted and unclear. It became common to attribute rumour to the grapevine.

Koller (In: Akande and Odewale 1994:27) states that in transmitting information about a subject, the grapevine might be described as follows:

"It moves with impunity across departmental lines and easily bypasses superiors in the chain of command. It flows around water coolers down hallways, through lunch rooms and wherever employees gather around in groups".

In a survey conducted by Nicoll (1994:1) it was concluded that two-fifths of the respondents obtained organisational information and nearly a third received job information through the grapevine most or all of the time. These results supported the conclusion of Hussey and Marsh (In: Nicoll 1994:1) who state that employees "had a belief in common that the grapevine usually pre-empted anything which management had to communicate". However this pre-empting does not necessarily imply a lack of formal communication or inadequate formal communication systems.

Contrary to popular belief, the grapevine does not merely fill the gap created by ineffectual formal communication systems, but thrives on its own on information fed into it through formal channels. It can, therefore, be very useful in supporting formal communication efforts if accurate and useful information is fed into it. This can again be helpful in reaching organisational goals. If this is the case, it could be argued that it is a futile exercise for organisation managers to fight against the grapevine and that they should use it to their own communication benefit instead (Nicoll 1994:1).

According to Wells and Spinks (1994:24), this unofficial network of social interactions (the grapevine) operates in all known organisations and can bypass the formal organisation's system of communication and upset its distribution of authority. The informal organisation does not only spread rumours, it also strongly influences the distribution of power. While the formal organisation determines who should have power, the informal organisation sometimes reveals who actually has it (Rachman and Mescon, In: Wells and Spinks 1994:24).

Disapproval and scepticism of the grapevine stems from concern about its ability to reach every employee. There is also some concern about the accuracy thereof. The grapevine can often spread gossip and rumours rather than substantial facts. This may lead to miscommunication and misinterpretation in the organisation.

However, with careful management and monitoring of the grapevine, the clever communication manager can use it to the benefit of the organisation as a whole (Nicoll 1994:1).

Cook (1999:101) states that a fundamental weakness of many knowledge management implementation processes is their failure to take into account the powerful internal forces within organisations. Cook quotes Marvin Gaye who says that much of the corporation's intellectual capital is shared through the grapevine. This means that it is inaccessible to people who do not participate in the informal structure. Although many people consider the organisation's grapevine to be an unhelpful gossip machine, it is here that knowledge, skill and experience are transferred easily and efficiently. Any organisation that is serious about knowledge management should find ways of facilitating the informal networks without formalising them.

One wine merchant chain has a 'shadow cabinet' that is composed of future directors of the organisation who are encouraged to formulate an alternative view on specific issues of future importance to the company. By doing this, the organisation recognises the power of the alternative view (Cook 1999:101).

Employees want to be able to identify a real, flesh-and-blood representative of the organisation. This is a basic communication need of employees. Their first choice is the boss. However, survey after survey has confirmed that employees' main source of information in an organisation is the grapevine. Although, when asked which source they prefer to get their information from, the grapevine is low on their list of preference (Wells and Spinks 1994:25).

In the current, ever-changing environment, the emergence and increased popularity of the grapevine is almost inevitable as the formal hierarchical structures of companies are less able to cope with the increasingly turbulent and fast-paced business environment. Even where formal communication channels are well established, good networks of employees can still form the framework for an active grapevine. The use of networking means that the organisation also utilises the informal networks that already exist. In other words, the grapevine is 'formalised'. However, this can cause a potential problem (Wells and Spinks 1994:25). This will be discussed later on in this chapter.

4.16.2. Characteristics of the grapevine

Akande and Odewale (1994:28) mention that a major percentage of employees consider the

grapevine to be their main source of information about organisational matters. Employees perceive it as a personal type of communication and therefore it frequently has a stronger impact on them than the formal communication channels. The grapevine is also much more flexible as it provides information and supplies inferences that are otherwise unavailable.

Tukiainen (2001:49) characterises the grapevine as being based on face-to-face communication, verbal communication and an unofficial communication network and is describe in this writer's third dimension (horizontal face-to-face communication) of the agenda model of organisational communication.

According to Wells and Spinks (1994:25), the following characteristics of grapevines can be identified. They are:

- **Humanly permanent**

Although many managers perceive grapevines as undesirable, recent thinking accepts the permanence of the grapevine and encourages managers to learn to deal with it successfully and to take advantage of its positive elements. This can help to encourage quality productivity.

- **Extremely fast**

If everything moves as fast as information travels through the grapevine, productivity would be greatly improved. Employees do not always know the whole story before they receive the official communication, but chances are good that they have already heard some facts through the informal network. Akande and Odewale (1994:28) agree with this characteristic and stress that the speed of transmission appears to be directly related to each situation and to the perceived importance of the information. Identical information tends to travel much faster through the grapevine than through formal channels.

- **Highly accurate**

Information on a grapevine is usually accurate. Hymowitz (Quoted by Wells and Spinks (1994:25) states that in a study cited by *CPA/Administrative Reports*, it was found that that the office grapevine is usually about 75% to 95% accurate and sometimes provides managers and staff with better information than formal, official communications of the company.

Although gossip and rumour are often associated with the grapevine, Wells and Spinks (1994:25) suggest that these terms might be inappropriate in light of the high degree of accuracy achieved by the grapevine in most organisations. Akande and Odewale (1994:28), however, warn that although the grapevine can be accurate in many cases, it is still more likely to produce a low level of understanding among recipients. This is especially true of rumours.

- **Qualified answers**

The grapevine is good at answering employees' unanswered questions, either correctly, incorrectly or a combination of the two options. This is one of the outstanding characteristics of the grapevine and, according to Wells and Spinks (1994:25), the key to dealing successfully with grapevine problems. Answers provided by the grapevine will usually be at least partly correct and complete.

- **Usually bad news**

Inaccuracies on a grapevine are usually bad news rather than good news. The so-called *bad news* may damage the organisation. This is because human nature fears the unknown. For example; when one's telephone rings in the middle of the night, one will probably first think about bad news rather than good news. Similarly, when the grapevine is used to answer unanswered questions or to fill in gaps of official communication, the information provided is usually bad news that is potentially damaging to productivity.

Information is usually transmitted through oral channels in the grapevine. Written channels may be utilised when word of mouth is not convenient or too obvious.
A person who passes information on in the grapevine, usually talks to several people rather

than with only one. However, only a limited number of those who received it will be involved in passing it on to others (Akande and Odewale 1994:28).

4.16.3. Integrating the grapevine

According to Nicoll (1994:4), bringing the grapevine to the attention of communication managers is especially important where the formal communication system is mistrusted. Managers should make sure that the grapevine is accurate, but that the information is also correctly interpreted. Employee perceptions are as important as the actual information being transmitted.

Techniques by which this is done include open plan offices and staff restaurants. One of the easiest ways is, however, through *management by walking about* (MBWA). Here managers set aside time to discuss informal issues concerning the organisation as a whole, together with specific work issues, with employees in their workplace. This exchange can be handled with caution until sufficient trust is developed over time. MBWA can be an effective tool that enables management to stay in touch with the issues affecting employees at the 'cutting edge' of the business. The danger of MBWA is that it can become a formal exercise in itself with specific times and regular routine. The key of MBWA is, however, its informality where people feel free to say what the mean.

According to Wells and Spinks (1994:26), the key to dealing with the grapevine is to examine its characteristics and to take advantage of them. They state that efficiently, effectively and successfully dealing with a grapevine in ways that improve an organisation's productivity involves at least the following aspects:

- **An existing, proven communication network**

The grapevine can be used as an existing and proven communication network. It is fast and available to communicate certain messages in the organisation. Although not appropriate for much official communication, routine communication is appropriate for the grapevine and can be distributed inexpensively and quickly.

- **Inaccuracies on the grapevine**

Inaccuracies on the grapevine can be eliminated because most inaccuracies occur due to a lack of official communication, gaps in official information or unclear official communication. The role of the grapevine is to supply the missing information. If the official communication is complete and clear, there will be few unanswered questions for which the grapevine can supply answers and that may be damaging to productivity.

- **Complete, accurate, official communication**

Complete, accurate and honest official communication is important in the organisation because, where there is a conflict between the official communication and the information carried by the grapevine, employees will dig into the past to believe the source that has proved to be most accurate in the past. If the grapevine has a reputation for greater accuracy than official communication, it will be believed – correct or not.

- **Secrecy**

Sometimes facts and certain things must be kept secret, but must be eliminated. A full, complete flow of accurate, honest information (with as few unanswered questions as possible) is the best way to deal with the grapevine.

4.16.4. Corporate culture and the grapevine

Tukiainen (2001:49) stresses that if the perception of management's communication abilities is bad, the grapevine will start to function easily. Good relationships are seen as a precondition of the functionality of communication in the workplace, as well as of the grapevine. The grapevine can add to (and partly replace) the official communication structures and gives 'flesh to the bones'. It acts as an extremely important creator and maintainer of human relations.

According to Nicoll (1994:5), the grapevine plays an essential part in looking at the political contingencies of an organisation – the political realities of the organisation. Only by understanding and tackling the underlying attitudes and values of members of the organisations can management effectively move the organisation forwards. Various sub-cultures in an organisation form an integral part of corporate structure.

Managers need to know the ways in which these groups of people approach organisational

issues.

4.16.5. Utilising the grapevine

Despite the predominantly negative view of the grapevine by management and the fact that it was once thought of as the enemy, it inevitably plays a role in socialising employees, initiating behavioural change, disciplining employees and providing information (Nicoll 1994:2).

- **The grapevine and socialising**

Taking responsibility for communication seems to be tied to the empowerment of employees. The anonymity of the grapevine means that responsibility is avoided. But, according to Nicoll (1994:2), there is a need for a communication channel that avoids the allocation of responsibility.   This is especially true in the case of new employees who still need to undergo a process of socialisation and need to find out how they fit into the informal structures of the company. We can learn much from the Japanese where a culture of interdependence is encouraged.

The grapevine is a communication method that arises out of the need for social interaction and as organisations are socially constructed realities, this is an important part of organisational life (Morgan, In*:* Nicoll 1994:2). The grapevine provides a particular means of assessing the perceptions of colleagues on particular issues. Management needs to see to it that the grapevine contains accurate and up-to-date information. The only way to do this is to feed it with this kind of information.

According to Nicoll (1994:3), the grapevine supports formal communication flows by assisting the removal of fear. This is done through less controlled means, which show whether management's words and actions are true.

- **Discipline**

The grapevine is a useful disciplinary device. It shows employees that deviation from normal behaviour is noticed and informs them of whether it is acceptable or not.
It allows for actions and behaviour to be corrected in advance, before it is necessary for managers to resort to more formal disciplinary procedures. This is most effective if managers

are able to get into the grapevine through means such as 'management by walking about'. The grapevine could be used as a mechanism for self-preservation. It could help employees to stay within the boundaries of work behaviour, which is set by the larger group (Nicoll 1994:3).

- **The grapevine and information provision**

Adapting a uniform employee communication strategy can lead to an over or under supply of information in certain sections. There is also a distinction between employees' needs for information and their desires for information. The key issue seems to be relevance of information. The grapevine is particularly good in providing information of little immediate or strategic use but rather of possible future operational use. This is especially true because the grapevine seeks out and finds people for whom the information will be relevant, while filtering out information of less relevance (Nicoll 1994:4).

Cook (1999:101) argues that the learning grapevine should be utilised as an informal structure (next to the formal structures) in facilitating effective knowledge transfer in organisations. However, knowledge management will suffer if knowledge is seen as equal to power. The distribution of formal power is intimately connected to leadership while informal power is hidden in the culture and is surfaced through the values of the organisation. There must be an alignment of these power sources in favour of sharing knowledge, skills and experience.

Care needs to be taken about the types of information transmitted through the grapevine. The role of the grapevine is often supportive to more formal communication. Building trust reinforces the need and importance for management to have regular face-to-face contact with employees. Timeliness is especially important, as the grapevine is one of the fastest methods of communication in an organisation. Regular management contact that transfers honest, reliable information can ensure that the grapevine increases its accuracy. The organisational grapevine can be fed with information that management chooses themselves (Nicoll 1994:6).

Wells and Spinks (1994:27) list several ways in which contemporary managers can utilise the grapevine:

- **Routine communication**

Allow the grapevine to communicate routine information – personal messages, for example, whose son received an award and whose daughter recently graduated, can promote the feeling of an organisational family and serves as a valuable morale building exercise. Much routine communication can be relegated to a grapevine with reasonable assurance that it will reach everyone. However, one of the disadvantages of allowing the grapevine to handle routine communication is that messages may not reach all employees resulting in some feeling offended and left out.

- **Morale and job satisfaction**

The grapevine can be used to build morale and job satisfaction as has been previously indicated. Being part of the informal network and thus the grapevine, can help develop strong personal relationships among employees that in turn lead to higher morale, better job satisfaction and higher levels of productivity.   All these are to the advantage of the organisation.

- **Reliable feedback**

Feedback that is used to keep management's finger on the pulse of the organisation can be observed through the grapevine. Much of this can be observed by tuning into the grapevine and by tapping feedback as a barometer of the general level of morale in an organisation. It also points out specific areas that need attention before more serious problems develop. Obtaining feedback through the grapevine is one way in which feedback input can serve as an early warning sign for management's attention.

Akande and Odewale (1994:28) agree with this in stating that the grapevine can be a valuable source of feedback and can be valuable in assessing the reaction of employees to an announcement before it is made through formal channels. Managers should make sure that they make every attempt to close existing gaps in the formal communication system.

- **Tension releaser**

An organisation can allow the grapevine to help release tensions among employees. The

grapevine serves as an outlet for feelings of frustration and bottled-up anger in the organisation. Letting off steam at trustworthy fellow members of the grapevine community can go a long way in providing a catharsis and is healthy for the organisation and for increased productivity.

- **Clarification and homogeneity qualities**

The grapevine is often accused of distorting messages. However, it can sometimes serve just the opposite purpose – it can provide clarification for orders, instructions and even policies without employees having to wait for official clarification. It can, therefore, add to the clarity and homogeneity of official communication.

When employees have the 'proper' and correct information, they feel better informed and more secure about their role in the organisation. By eliminating ambiguous messages, the occurrence of rumours is reduced and distortion in the grapevine is prevented (Akande and Odewale 1994:28).

- **Trial balloons**

Managers can also send trial balloons via the grapevine. For example, new policies can be 'tested' by placing them on the grapevine network and then monitoring employees' reactions. If there is much resistance to the new policy, it can be changed and adapted, or even scrapped, by officially announcing that such a policy will not be implemented. The use of trial balloons is common in government and political circles. The greatest concern with this use of the grapevine is ethical considerations. Care must be taken to ensure that the boundaries of ethical communication and ethical management are not exceeded.

- **The grapevine as an early warning agent**

Most literature on the grapevine and rumours concentrates internally, on the organisation and on its publics. These phenomena, however, also exist outside the organisation and amongst different stakeholder groups.

The grapevine can, therefore, also be used as an early warning agent. This use is similar to reliable feedback, which was mentioned earlier (Wells and Spinks 1994:27).

The utilisation of the grapevine and rumours as early warning agents is more specific and is aimed at external as well as internal interest groups. The grapevine and rumours can also play a prominent role as an early warning agent internally. An example of external rumours as warning agents can include possible environmental scandals, personal scandals of employees, possible contaminated products like food products or potentially risky structures such as buildings and bridges.

4.16.6. Electronic communications and the grapevine

Electronic communication technologies such as e-mail and group discussions can very quickly spread grapevine information. Management will find such information difficult to counter if they do not understand the issues that are affecting their employees. The potential drawback of communication by electronic means is that it discourages managers to *walk the office* (MBWA). Electronic mail is a private communication system and people therefore need to be trusted to become a member of a mail group. Messages on the electronic grapevine are often impersonal in nature and removed from the nuances of face-to-face contact. These nuances are important for managers to build trust (Nicoll 1994:5).

According to Davis (In*:* Nicoll 1994:6), the grapevine has an accuracy of about 80-90 percent. Regular management contact and the supply of honest, reliable information can ensure that the accuracy of the grapevine increases.

4.17. INFORMAL NETWORKS

Much of organisational learning occurs outside the formal system and transpires within the informal system. If personnel want to create or develop an idea, in which the institution is not involved, they may choose to first experiment in the informal system by connecting with a stakeholder organisation to examine a new policy, programme or relationship. The learning will have to be shared and communicated in order to influence the formal structure and bring about change (Walker and Floyd 2003:2).

Davenport and Prusak (1998:37) state that much of the work that happens in organisations is done because people continually share and ask questions through informal networks. Informal networks have the benefits and drawbacks of their informality, but because they

function through personal contact and word of mouth, they have the trust element that is essential to successful knowledge exchange. A recommendation by someone who is known and respected within the organisation is more likely to lead one to a trustworthy seller with appropriate knowledge, than a cold call to someone unknown would. Such informal networks are dynamic because they consist of people who continually communicate with each other and therefore tend to update themselves as conditions change.

This can, in essence, be seen as gossip, but, according to Davenport and Prusak (1998:38), most corporate gossip is a form of knowledge transfer about internal processes and is the way the company's knowledge network updates itself. The main disadvantage of these kinds of networks is that they are undocumented (because of their informality) and therefore not readily available to all who need them. Their viability depends on chance conversations and local connections that sometimes work well but do not happen at all other times. Although the informal network may help us avoid some bad decisions, it would not provide us with the full spectrum of choices in our area. To get a reasonably wide range of recommendations, one would have to spend much time following the branches of personal, undocumented connections. In the absence of formal knowledge policies and processes, networks act as critical conduits for innovative thinking.

The transfer of knowledge through personal conversations is being threatened by the move to virtual offices. Many companies encourage their employees – especially those in customer-oriented functions – to work at home or on site. Although this arrangement has benefits, it also lowers the frequency of informal knowledge transfer. Managers now know that virtual field employees who have contact with customers are less likely to pass on customer comments to researchers, product developers and marketers. Although 'around the water cooler talk', as it is described, has its limitations, this unstructured transfer of knowledge has the advantage of opening the door to serendipity. It has the potential of generating new ideas or solving old problems in unexpected ways. It is for this reason that many Japanese firms create talk rooms to encourage this unpredictable, but creative, blending of exchange (Davenport and Prusak (1998:92).

Knowledge transfer methods should suit the organisational culture of a specific organisation. Japanese managers also spend many hours together after work and group dinners and visits to nightclubs are part of Japan's corporate culture. This functions as an important knowledge-

sharing mechanism, as well as a mechanism for establishing trust and opportunities for criticism (Davenport and Prusak 1998:94).

4.18. INVESTIGATING ORGANISATIONAL GOSSIP AND RUMOURS

Similar to the grapevine, rumours and gossip are alive and present in every organisation. Although there are also differences between the terms rumours and gossip, Michelson and Mouly (2000:340) found many similarities between the two terms and hence chose to use them as synonyms. Information is transmitted by many means in social settings. Rumour and gossip form an important and integral part of this.

Allport, Lepkin and Davis (In: Akande and Odewale 1994:27) describe rumour as *"unverified information of uncertain origin that is usually spread by word of mouth. It is also a proposition for belief, passed along from one individual to another, usually by word of mouth, without any confirmation of evidence being present."*

According to Michelson and Mouly (2000:339), age, gender and occupational status in the hierarchy of the organisation does not necessarily play a major role in the spreading of rumours and gossip. It is universally acknowledged that involvement in rumour and gossip processes tends to be viewed as undesirable, at least in the public sphere. This view is in contrast with reality in organisational structures since reliance on informal communication sources is a pervasive feature of organisations and work. The disapproval of gossiping in the public domain seems to apply different standards to male and female participants.

An interesting feature of both rumour and gossip is that they are derivative – information is received third hand (Suls 1977, In*:* Michelson and Mouly 2000:339). In most cases the source and origin of the message is not easily located or identified. Although rumour and gossip go through some variation during its path, research suggests that the main theme of messages remains intact during the transmission process.

Rumours and gossip are commonly understood to be unsubstantiated talk with no clear proof of its authenticity or truth.
This suggests that rumours are hypotheses or unconfirmed propositions (hearsay) and recipients do not know whether to believe the message or not. It is, however, based on fact.
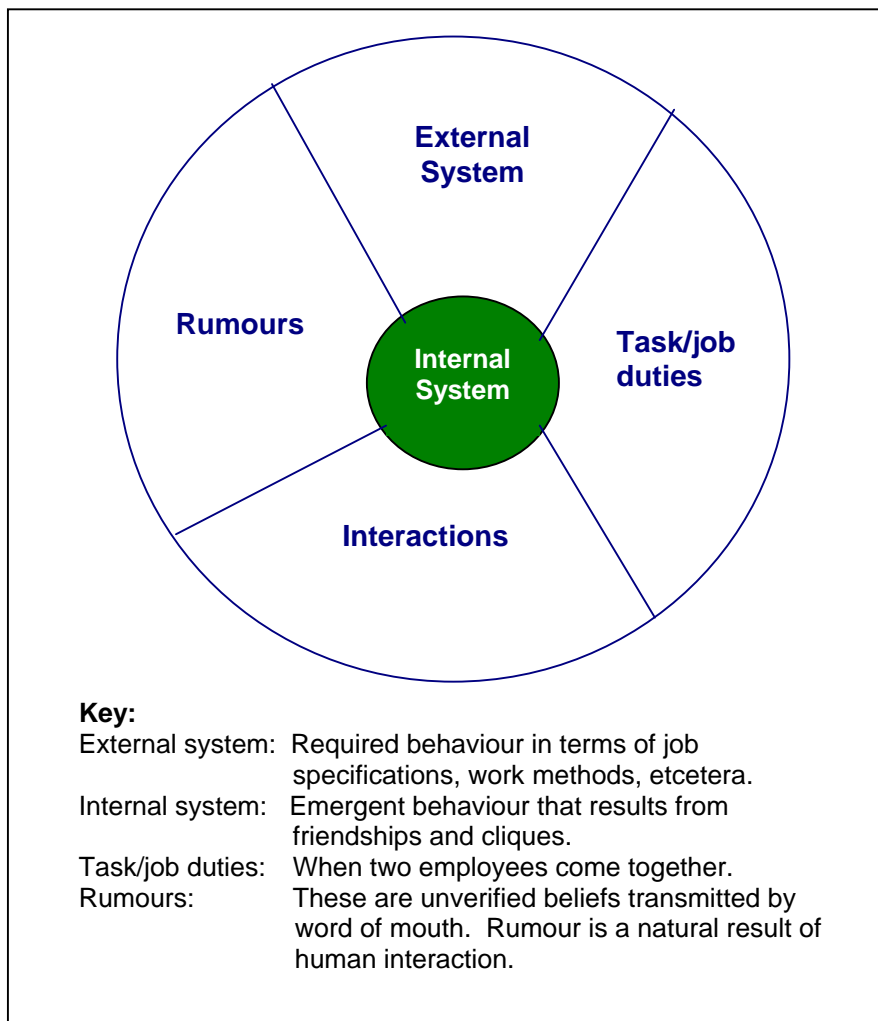
4.18.1. Characteristics of rumour and gossip

According to Rosnow and Fine (In*:* Michelson and Mouly 2000:339), while the basis of a rumour is information that is unsubstantiated; gossip may or may not be known fact. Michelson and Mouly see this as a distinction of degree rather than substance and state that it is sometimes impossible to separate rumour from gossip. Both can also contain positive or negative messages and have an additional characteristic in common, namely suspension of disbelief. There must be elements of suspension of belief on the part of those involved in order for rumours to flourish among social circles. Individuals normally vigorously resist evidence to the contrary and do not allow any recording of their speech.

Secondly, rumour and gossip are spontaneous and seldom ever planned. It is also usually concerned with topical content, issues of the day and that which is on the hot news agenda. Gossip tends to occur in a more private and intimate setting through friends and acquaintances. Other writers (Rosnow and Fine *et al,* In: Michelson and Mouly 2000:341) suggest that gossip deals with issues or events of interest to an individual or small group while the borders of rumour extend beyond a few individuals to a more universal interest. Harrington and Bielby (In: Michelson and Mouly 2000:341) state, however, that gossip could land in the public domain if it is, for instance, placed on electronic bulletin boards.

Akande and Odewale provide the following way of viewing rumour in the organisation:

Figure 16: Rumours in organisations

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                        External
                        System



        Rumours          Internal        Task/job
                         System          duties




                        Interactions
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Key:

External system:	Required behaviour in terms of job specifications, work methods, etcetera.
Internal system:	Emergent behaviour that results from friendships and cliques.
Task/job duties:	When two employees come together.
Rumours:	These are unverified beliefs transmitted by word of mouth. Rumour is a natural result of human interaction.

SOURCE: Akande and Odewale (1994:28)

Davis states that rumours usually shed a negative light on their targets and attract much attention among a curious and receptive audience (In*: Akande and Odewale 1994:27). Yerkovich (In: Michelson and Mouly 2000:341) argues that information (no matter how scandalous) is not gossip unless the participants know enough about the people involved to experience the thrill of revelation. The function served by rumour and gossip appears to be identical. Rosnow and Fine (In: Michelson and Mouly 2000:341) state that our minds strive to eliminate chaos and uncertainty. When the truth is not directly forthcoming we piece together information as best we can. In the process, rumours originate and rationalisations occur. Rumours circulate to explain things and relieve tensions of uncertainty.

Frost (2002:226) states that it seems likely that rumours that cause extreme anxiety are more likely to be passed on.

The level of credibility testing by senders tends to be lower. Therefore, the higher the threat, the lower the threshold of belief and so the greater the likelihood of that rumour being passed on. People's belief in rumour is affected by three main criteria, according to Frost:

- The credibility of the source;
- The level of threat; and
- The likelihood (in people's experience) of the event happening.

A listener is less likely to believe stories about aliens (has not met them) than people that, for instance, will do anything for money (history of experience present). This means that those with specific knowledge and experience of narrated events may be more sceptical than those without expert knowledge. A story, told by a trustworthy source (a news provider like the SABC, for example), is also much more credible.

Akande and Odewale (1994:28) also believe that rumour is a natural outcome of interpersonal relationships.   Research indicates that rumours among employees result from an organisational structure that frequently subjects employees to role conflict and ambiguity. Esposito and Rosnow (In: Akande and Odewale 1994:28) further argue that employees experience rumours because of conflict between the instrumental and expressive functions that they perform.

Individuals utilise gossip to obtain information to make social comparisons.   In an organisational context it functions to provide its members with an important self-appraisal role (Michelson and Mouly 2000:342).

Table 5 provides an overview of similarities and differences between rumour and gossip.

Table 5: Similarities and differences between rumours and gossip.

Factor	Rumour	Gossip
Basis	Hearsay	Hearsay
	Unsubstantiated information	Some presumption of factuality
Characteristics	Suspension of recipient disbelief	Suspension of recipient disbelief
	Culture of more public, universal interest	Culture of privacy / intimacy
	Topicality of message	Topicality of message
	Spontaneity	Spontaneity
Primary motivation	Desire to cope with uncertainty	Desire to achieve status and ego needs
Nature of content	Malevolent / benevolent	Malevolent / benevolent
Primary connotation (directionality)	Neutral / negative	Neutral / negative

SOURCE: Michelson and Mouly (2000:346)

Frost (2002:227) concludes that rumour and news share much in terms of their reason for being transmitted and that only their truth seems to separate them from each other.

4.18.2. Categories of rumours

Michelson and Mouly (2000:341) argue that different types of rumours support different functions. They suggest four categories of rumour:

- The pipedream: Wish fulfilment for those who circulate them;
- The bogey or anxiety rumour: Primarily driven by fear and therefore creates unease;
- The anticipatory rumour: Often precipitated by situations of ambiguity; and
- The aggressive rumour: For example, sexual gossip.

As previously stated, rumours and gossip used to be viewed solely as negative and detrimental to an organisation's productivity and morale. However, Michelson and Mouly (2000: 342) agree with the view that this is a very simplistic view of the phenomena.

Gossip can also be seen as an aid to preserving group solidarity and formal structures. Rumour and gossip are definitely not static, but rather seem to change according to situations. It was also later suggested by writers that gossip could even occur between strangers such as on electronic bulletin boards.

According to Frost (2002:224), the media is important in transmitting urban legends. Although word of mouth was traditionally the main transmission method, the internet is also playing a substantial role in transmitting urban legends. They are often put on websites, either denying their truth or presenting them as fact. One such site is www.urbanlegend.com.

4.18.3. Functions of rumours and gossip

According to Michelson and Mouly (2000:342), the purpose and function of rumours or gossip are numerous and wide-ranging. Broadly it is seen as providing information, influence and entertainment.   Information is used to better understand the social environment and for individuals' benefit.   Other writers have also suggested that rumour and gossip generate pleasure and satisfaction – an entertainment value – for those involved.

It can be added that rumours and gossip can be used as a means of making conversation. For example: When somebody (a stranger) finds out that an individual works for a particular organisation, it is often followed by something from the news or rumour domain: "Oh, the organisation that was recently involved with employing illegal immigrants," etcetera.

Similar to the grapevine, rumours tend to thrive on insecure and threatening organisational environments when the subject matter of the rumour is very important and when employees mistrust formal communications in poor internal climates (Crampton *et al.* and Rosnow, In: Michelson and Mouly 2000:345).

Some rumours can be used to pass the time or can be an avenue to release negative emotions. Rumours may help to maintain one-to-one contact and add glamour to the work environment (Akande and Odewale 1994:28). In the case of urban legends, many of the stories represent some kind of morality tale, warning people about something or advising them to take care (Frost (2002:224).

Just think about the many e-mails that circulate that offer hi-jacking advice and speak of new

hi-jacking tactics that we all receive from time to time. Another example discussed by Frost (2002:224) is the urban legend about the unwilling kidney donor that was drugged at a party and who eventually woke up on a bed with a huge scar, pain and a missing kidney. A UK and US version of this legend was even described.

4.18.4. Harmful rumours and gossip in the marketplace

Akande and Odewale (1994:28) argue that one external domain where the potential negative impact of rumours is of particular concern, is called *the marketplace*. There are many examples of situations where organisations' integrity have come under threat because of rumours. One example is an organisation that was forced to eventually change its logo, that comprising a moon and stars, after it was associated with a Satanist cult. A popular restaurant was rumoured to sell hamburger patties containing red worms. In South Africa there was the famous case of First National Bank's logo that was rumoured to contain the picture of a hare in the trees' branches. One food chain was rumoured to have employees spit in difficult customers' food.

How powerful rumours can be is best illustrated in the story by Wendy Knowler, which was published in the Pretoria News of 6 November 2003 under the *heading: Vicious rumour holds no water* (See Annexure C for the full article). According to this article, a rumour, concerning potential cancer-causing agents in re-usable disposable plastic bottles, originated from an incorrect finding published in a University of Idaho master student's thesis. The thesis incorrectly identified dietthylhydroxylamine (DEHA) as a human carcinogen and incorrectly stated that it is contained in polyethylene terephthalate (PET), the plastic used in beverage bottles. This finding enjoyed some publicity after it was spread via e-mail from Australia and did the rounds on three continents.   The rumour started in the USA and then jumped to Australia before someone e-mailed it to a friend in South Africa.

The method used by Bromor Foods was to 'quash the story with the facts'. The organisation has posted the facts, backed by research from major international scientific bodies, on its Energade website. According to Coca Cola's consumer relations manager, Zanele Sisilana, the organisation received numerous copies of the 'warning' e-mail from concerned customers. In conclusion, it was found that this harmful rumour was entirely false.

Another hoax e-mail claiming that it is unsafe to drink from frozen water bottles because

freezing the water bottles causes dioxins to leak into water, also did the rounds. There is also no scientific data to support this rumour.

Wendy Knowler concluded her article by stating, *"Perhaps the biggest risks to our health in the new millennium are hoax or unsubstantiated e-mails"*. E-mail has definitely became one of the most powerful and fastest (along with personal face-to-face communication) ways in which potentially harmful rumours and gossip are spread within organisations, but also among communities, countries and even continents.

What made the rumour more credible was a story that stated that the sealing mechanisms on glass bottles (including baby food) would be replaced after scientists discovered that small concentrations of a toxin from the seals were seeping into the food, which preceded the rumour. This story was true. South African companies, such as Coca-Cola (producers of Valpré and Powerade) and Bromor Foods (Oros and Energade) were inundated with calls from concerned consumers.

Davis (In: Akande and Odewale 1994:28) states that when a rumour starts because of job insecurity, emotional conflict or an information gap, each individual receives and transmits the rumour in terms of his of her own biases and their perception of reality. Although details of rumours are often not maintained, the main theme is usually intact. Just as any oral communication is filtered, rumour is often reduced to a few basic details that are easily recalled. New details of horror are often added to the rumour along the way, reflecting employees' strong feelings and reasoning. This is called *elaboration*.

According to Akande and Odewale (1994:28), managers should act when rumours affect productivity, when community relations suffer or interdepartmental cooperation is hampered. One effective method is to defeat the rumour completely with truth. As the truth becomes known, the information gap is filled and the rumour will stop. A negative implied truth is less destructive than rumours that feed the fear of the unknown.

4.18.5. The control of rumours and gossip

According to Akande and Odewale (1994:27), taking appropriate initiatives to deal with rumours goes a long way in reducing employees' grievances.
Employees can spend considerable time talking and speculating about the latest rumour and

this can harm both the employee and the organisation itself.

According to Koller (In*: Akande and Odewale 1994:27), there are at least three ways to manage rumours in an organisation. The first way is to wait them out – some rumours dissipate over time and do very little harm. Secondly, more serious rumours should be publicly refuted. This is done when the organisation names the specific rumour and discredits its usefulness and the credibility of its source through an advertisement campaign, a press conference or highly publicised event.

Thirdly, truth and authentic information should be released or positively advertised as soon as possible. Lastly, the target of the rumour should be associated with positive features such as the company's traditional commitment to quality, excellence and customer satisfaction. Some writers have named other methods such as creating counter-rumours or by spreading disinformation, but these methods are not acceptable to ethical communication managers.

Research has indicated that it is more effective and useful when the communication of truth behind a rumour comes from a source considered to be reliable by the receivers. For example, when there are rumours about layoffs, it is advisable that the personnel manager be the one to respond. In the same sense a person with advanced technical knowledge should respond to rumours about a technical problem, and so forth. Rumour should also be handled effectively by face-to-face instant release of the truth (Akande and Odewale 1994:27).

Management in modern organisations needs to build a culture of truth that will earn it a reputation of honesty. This will encourage and foster employee confidence and loyalty (Akande and Odewale 1994:28).

4.19.   CONCLUSION ON ORGANISATIONAL GRAPEVINES, RUMOURS AND GOSSIP

The grapevine (as well as rumour and gossip) exists in all organisations and cannot be eliminated. It therefore makes perfect sense to utilise the speed and degree of accuracy of the grapevine network in order to distribute certain kinds of information and for specific reasons.

Grapevines supply answers, whether correct or incorrect, complete or incomplete, to all unanswered questions and are more likely to supply bad news answers. This can be damaging to the productivity of organisations (Wells and Spinks 1994:27).

However, when open, honest and complete communication takes place through the official networks, the grapevine can be a useful way of dealing with softer issues and employees' sense of belonging. It can be particularly useful in providing early warning feedback input to management of potential dangerous or threatening issues.

Michelson and Mouly (2000:345) conclude that while rumour and gossip can be seen as seemingly trivial or harmless talk in some contexts, it does not mean that it is unimportant for management.   Rumour and gossip is not only an extremely widespread form of communication, but may also provide a range of organisational benefits such as the rapid transfer of information to test employee reactions and by reinforcing social bonds and work structures. It provides information, influences and entertains.

According to Akande and Odewale (1994:28), managers can appreciate rumours better if they search for the message behind them. Some rumours are, however, mere symbolic expressions of feelings that are not really offered by the communicator as truth.   It is worthwhile for managers to consider rumour as comprehensible, manageable and meaningful. Managers should also rely on relationships of empathy, entrepreneurship and truth to help them in managing rumours and gossip in their organisations.

The investigated literature mainly describes rumours and gossip from an internal, organisational point of view. It can also be applied to rumours and gossip that have their origin outside the organisation. These kinds of rumours and gossip are often very important and potentially harmful to organisations' reputations. They can also be of a positive nature, for example, rumours doing the rounds that a particular organisation has excellent facilities for its staff or that its remuneration and benefits are exceptionally good.

Frost (2002:222) describes similarities between the elements found in newsworthy stories that are common to gossip, rumours, urban legends and hoaxes. One of the common criteria is that the story should be interesting for or of interest to the audience. According to data collected by this researcher, people are not particularly sceptical about what they are told. Often people easily pass 'stories' on when it has the minimal potential to cause harm – the so-called 'least harm test'.

Just as within all informal communication feedback, the organisational grapevine, rumours and gossip also contain potentially useful information. Aspiring learning organisations should

not underestimate the potential of such information. As indicated in the preceding literary overview, this kind of informal feedback can play a vital role in the overall communication strategies of organisations and learning organisations in particular.

4.20. FEEDBACK AND DECISION-MAKING (FEEDBACK INTERVENTION)

According to Ballé (1994:4), the classical management theory that is taught is that managers need to be decision makers. When decisions are made, managers rely on history and past similar cases. Decision-making processes are not universal but are linked to the ethos, culture and even the kind of job or organisation involved. When making decisions, managers normally rely on the rule of money. It will therefore involve some form of cost-benefit analysis.

According to Ballé (1994:5), rational decision-making is often seen as better than no decision. It is argued that if one is able to measure the costs and benefits accurately, there is no reason why one should not reach a correct solution that optimises ones profits. There is, unfortunately, a major assumption in this reasoning: The notion that by increasing the parts individually, one will increase the sum of the parts. The view is that the way in which the costs and benefits evolve in the future is projectable - if things continue in the same proportions that is. This assumption is only true in stable and steady conditions.

However, nowadays one experiences increasing chaos and disorder in fast-changing, complex and uncertain business environments. Projections into the future are likely to be wrong and strategic planning is kept to a maximum of two to three years in advance. To treat certain parts of the organisation in isolation would be wrong because of the complex integrated systems of many an organisation. To simply reduce cost while maintaining benefits would also be a short-term vision (Ballé 1994).

4.20.1. Barriers to feedback intervention

Some of the reasons why feedback (as a critical element of learning) is rarely forthcoming in organisations are:

- Firstly, it is because organisational action is often the result of teamwork or groups, which makes it difficult to assign blame to individuals;

■Secondly, learning from feedback experience is difficult when the experience itself is elusive. This is due to the fact that any corporate outcome is usually the result of multiple causes that make the analysis of 'which decision made by whom to what effect' very difficult for evaluation; and

■Lastly, feedback is further hampered by the period to time between decisions and consequences (McGill 1994:136).

4.21. THE *MULTI-LAYER INFORMAL FEEDBACK INTERVENTION WHEEL*

4.21.1. Introduction

As mentioned earlier, Hillebrand and Biemans (2003:738) support the view that information that originates outside the organisation needs to be diffused in the organisation in order for the relevant people to attain consensus on its importance and implications and to translate it into appropriate action.

It has been stated earlier in this chapter that collecting and monitoring customer feedback enables organisations to access and upgrade their service and product capabilities in order to maintain and improve competitiveness (Wisner and Corney 2001:240). Gayeski (1992:25) stresses the importance of creating value-added and integral communication interventions that should not comprise frills or afterthoughts, but should rather increasingly become the basic component of management and production and be readily accessible to each employee's everyday environment.

An important question comes to mind: What is the best and most practical way to track informal feedback issues and capture them in a manner that makes it possible for the communication manager to evaluate them against their anticipated impact on the organisation's corporate governance, strategies and structures?

This investigation and monitoring the process of informal feedback inputs is a daunting, difficult and overwhelming process for some bigger organisations, especially those that are on the public agenda at times.

The researcher suggests *The Multi-Layer Informal Feedback Intervention Wheel* as a framework that systemises and organises the process of informal feedback input, through four phases. This process ends in the Intervention Phase where the actual intervention or adaptation to policies, strategies, structures and systems (which can be the cause of the original feedback input) will occur.

This wheel was developed with the aim of assisting communication managers through the process of evaluating informal feedback inputs. It takes the manager step by step through the process of collecting and capturing the raw feedback inputs, to the actual change induced and eventually rectifying the situation and plotting the outcomes thereof.

The first version of the framework was developed during the first half of 2004 and will be described first. It was later adapted and simplified as per discussion in the case study in Chapter Five. The *Multi-Layer Informal Feedback Intervention Wheel* merely gives structure to the whole feedback management process and assists the communication manager in collecting, analysing and grouping feedback input. This is followed by the *integration* and eventually *intervention of* communication and organisational strategies by applying this newly acquired learning.

The Wheel itself does not provide answers on *what* should be adapted or *how* change should be implemented, but rather guides the process along to the point where, with the experience and logic of the communication manager, the answers can be found. It assists the manager with everyday feedback issues to suggest informal feedback interventions to management.   It, therefore, helps the communication manager be a proactive early warning agent for the organisation.   It is, unfortunately, still up to management to be responsible and to act upon the suggested interventions.

Table 6 presents a graphic presentation of the elements of the first version of the *Informal Feedback Intervention Wheel*. A more graphic and dynamic presentation of the Wheel can be seen in Figure 17.

Table 6: The elements of the *Informal Feedback Intervention Wheel* (Original version)

> **Applying the Informal Feedback Yardstick**

Phase	1. Structure Phase	2. Analysis Phase		3. Integration Phase	4. Intervention Phase	
Key grasp	**INPUT**	**GROUP**	**CORE**	**IMPACT**	**CHANGE**	**OUTCOME**
Tasks	Collect feedback variables	Identify groups of feedback issues	Identify core of feedback issues and trends Eliminate useless info	Plot predicted impact of core issues	Adapt and Adjust ■ Policies ■ Procedures ■ Strategies ■ Structures ■ Systems	Track outcomes and results Regenerate feedback to source
Document or score	**Score of Raw Feedback**	**Score of Linked or Natural Groups**	**Score of Importance**	**Score of Truth (Impact)**	**Score of Adjustments**	**Score of Results**
IMPACT / INFLUENCE ON ORGANISATION						

SOURCE: OWN RESEARCH

Figure 17: The Multi-layer Informal Feedback Intervention Wheel

Input from Evaluation Tool
(Feedback Evaluation Yardstick)
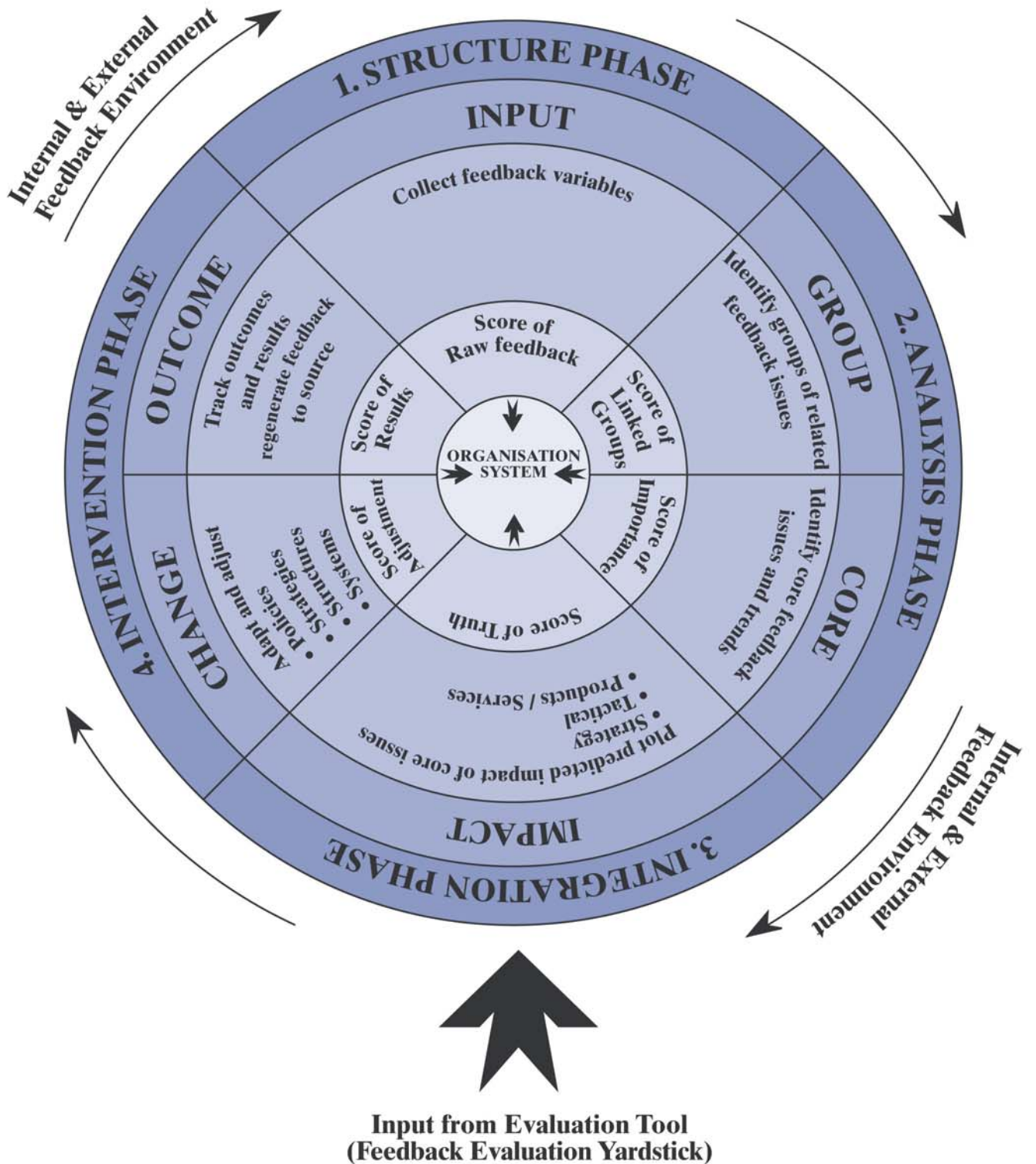
Source: Own research

4.21.2.   Phase one: Structure Phase

This is the first phase in dealing with the collection of informal feedback issues or variables. It is suggested that the feedback intervention evaluation process be conducted at least once at week in order to keep the amount of feedback input at a manageable amount. However, this will differ from one organisation to the next depending on the kind of organisation and the responsiveness of its stakeholder groups.

Normally the feedback evaluation process would be carried out by the communication manager or public relations practitioner.   The   more   the   organisation   opens   up   its acceptance of and ability to receive feedback easily, the more feedback input will be generated.

The key grasp or term in this phase is *INPUT*.   The tasks on hand have to do with physically collecting the various feedback variables. This entails reading e-mails, listening to recorded telephone messages or reading written notes or messages received by telephone, going through interpersonal verbal messages captured on client relations management systems or call centre software and capturing valuable internal and external rumours received through the organisational grapevine.

While drawing a picture of the whole organisational system by tackling feedback input step by step, one can eventually focus on high impact interventions. While focusing exclusively on the individual feedback variables one might easily get lost between the feedback input variables as such. This can lead to the actual intervention being neglected and of little use in the end.

The document or 'score', as it is called in this phase, is the S*core of Raw Feedback*. 'Raw' because it is, at this stage, merely a list of different feedback issues, received and documented on paper. In the next phase this score will be critically analysed and sorted in some or other way that will identify the critical issues that should receive prompt attention.

This phase is probably the most difficult and challenging next to instigating actual change in phase four, *The Intervention Phase*. This is due to the complexity and large quantities of possible feedback input that can be collected from different places.   This requires dedicated staff and is quite a mechanical process.

However, there is computer software available that can help the communication manager collect feedback input issues.

The internet organisation *Intelliseek* markets software called *ExpressFeedbac,* a website application that helps organisations to collect critical customer information and feedback from their websites. ExpressFeedback *"creates a single source management tool to capture consumer feedback in real time and put it to use throughout the company"*.

It assists organisations in handling loads of feedback input, screening routine issues, dealing with true problems, leveraging new insights from consumers and focus groups, conducting market research and reducing manual reporting time and costs (intelliseek.com).

Another software package by Intelliseek is *BrandPulse 360*. It is a solution that captures and categorises consumer feedback from multiple, disparate sources and in various forms. It also gives users quick access to consumer verbatim comments for analysis and insights. Feedback input comes from phone calls, mail and fax, e-mail and website contacts, public online discussion groups and message boards as well as verbatim comments (intelliseek.com).

Both these software packages show promise as very good aids in keeping track and capturing feedback input from stakeholders. Once again, although the organisation markets these software solutions with emphasis on consumer feedback, it may be just as helpful to capture informal feedback from a range of stakeholders.

4.21.3.   Phase two: Analysis Phase

The Analysis Phase has two sub-phases. During the first sub-phase the communication manager tries to logically group interrelated feedback issues together in order to make it more manageable and easier to handle. The grasp term identified in the Intervention Wheel is therefore *GROUP*.

This could also be helpful to reduce many feedback variables to a more manageable number. The document outcome or score is a list of the linked or *natural groups of feedback issues*.

The second sub-division of this phase is identified by the grasp term *CORE*. This is because the manager will identify the core feedback issues and trends from the groups that were evaluated in the preceding step. Now is the time to eliminate useless information and irrelevant feedback issues often received by informal feedback methods. Special attention should also be given during this phase to the analysis of verbal feedback input such as rumours. However, the communication manager should make sure that other evaluation committee members agree with the elimination process. We may ask ourselves what the important trends are. What are the underlying and deep-rooted issues and concerns?

The document to be delivered after this rating process is called the *Score of Importance*.

4.21.4.   Phase three: Integration Phase

During this phase the actual impact of the preceding identified important issues is evaluated. This is a crucial phase because it is the core of the whole feedback evaluation process. The decisions made during this phase will have a significant influence on the next phase during which real intervention is applied.

The grasp term during this phase is *IMPACT.* The impact of each important group of core issues or individual issues (depending on the preceding methods used) will be predicted and forecasted onto existing corporate communication or organisational strategies. The likely impact of each group of issues on strategies, policies, structures and systems of the organisation is projected.

The outcome document of actions taken during this phase is called the *Score of Truth*. It is so called because this is really where the core of the whole intervention process lies. It is the elements contained within the Score of Truth that will lead to the real changes during the next phase.

A helpful tool that can be suggested is the *Informal Feedback Intervention Yardstick*. This is a statistical model that is predesigned in Microsoft Excel. It can assist the communication manager to determine the potential impact value of different informal feedback inputs.

Feedback issues are rated with a percentage according to four possible and set levels of possible impact. Preset factors and pre-determined weights are allocated to each level of potential impact. More than one manager can also be involved in rating feedback inputs according to predicted impact. In this instance the average score of all participants is used in scoring each impact level. The yardstick minimises the chance of subjectivity in the judgement of communication managers. A completed explanation of the *Informal Feedback Intervention Yardstick* will receive attention later in this chapter.

4.21.5.   Phase four: The Intervention Phase

Again this phase consists of two sub-phases. The grasp term of the first sub-phase is *CHANGE*. It says exactly what it is about. The key outcome aimed at during this phase is *intervention*. *Intervention* suggests that there should be some or other change induced in order to alter the course of communication or organisational strategies.

It has to do with adaptation and adjustment of policies, strategies, structures and systems in order to rectify the issues originally raised during the feedback input phase. However, the outcome may not always be change. The evaluation committee could decide that change is unnecessary or that a particular score of truth does not have enough impact potential to make the altering of strategy worthwhile.

The outcome document produced after completion of this phase is called the *Score of Adjustment.* This will clearly show which adjustments are recommended and where it should be applied, to what effect or impact and to what outcome in the organisation.

The second sub-phase of this phase is described by the grasp term *OUTCOME*. This has to do with tracking and identifying the outcomes of the changes envisaged during the preceding phase once it has been applied. It tracks down results and evaluates whether true intervention took place and what adjustment should once again be applied to foster better intervention results. Measuring real outcome is therefore usually a delayed action that will only be realised after intervention has been induced and the outcomes measured at a later stage.

During this phase feedback to the original source of the feedback input should be generated in order to complete the circle of the intervention wheel. The outcome document during this phase is called the *Score of Results*.

4.22. Applying the *Informal Feedback Yardstick*

The *Informal Feedback Yardstick* is a small statistical computer programme that was written in Microsoft Excel by Vermeulen (1999) for evaluating and scoring nominations of former students of the University of Pretoria for the Alumni Laureate Awards. It was adapted for the purposes of evaluating informal feedback variables. This yardstick looks as follows:

Figure 18: THE INFORMAL FEEDBACK YARDSTICK

CORPORATE COMMUNICATION DIVISION - SCORE SHEET

Evaluator:……………………………………..   **Organisation**: TrueMilk
                                                                            Pty Ltd.

Example of scored feedback Issues   **FEEDBACK ISSUES / VARIABLES**

	LEVEL OF IMPACT ↓	Relative weight of impact ↓	**FI 1** ↓	**FI 2** ↓	**FI 3** ↓	**FI 4** ↓	**FI 5** ↓
A	**Major organisational impact**	ci1	5	2	50	90	5	10
B	**Corporate comm. impact**	ci2	3	3	60	20	5	10
C	**Departmental impact**	ci3	2	70	6	10	5	70
D	**Minor micro unit impact**	ci4	1	10	5	10	50	10
E	**Highest Score Repeated**	ci5	1	70	60	90	50	70
X	**Weighed Averaged Value**		**12**	**19.92**	**42.25**	**52.50**	**12.50**	**25.00**
	(Rating of importance of issues)		**-**	④	②	①	⑤	③

Ranking Score ←

X = (ci1*A + ci2*B + ci3*C + ci4*D + ci5*E) / (ci1+ci2+ci3+ci4+ci5)
                                    12

Where E = (Max of A,B,C,or D)

SOURCE: Adapted from TuksAlumni Laureate Award Evaluation Model developed by Vermeulen (1999).

Figure 18 continues:

Applying the *Informal Feedback Yardstick* to a fictitious milk company, TrueMilk. The key to the score sheet is on the previous page.

➜ **An example of a milk providing company – TrueMilk**
➜ **Feedback Issues = (FI)**

FI 1: Complaint about telephone not answered in corporate
communication division

FI 2: Complaint that farm and cows cause a smell for
surrounding houses in suburb

FI 3: Rumour that organisation's milk is not
adequately pasteurised

FI 4: Compliment for excellent service with delivery
to a shop

FI 5: Rumour that certain employees will have to
reapply for jobs

General conclusion after discussion	
C	Dept. Comm. Impact
B	Corp.Comm. Impact
A	Major Org. Impact
D	Minor Micro Unit Impact
C	Departmental Impact

The above presentation of the *Informal Feedback Yardstick* is an MS Excel statistical program where different weights of impact are allocated to each level of impact. For example, *A: Major Organisational Impact* carries the largest weight (ci1) of **5**, *B: Corporate Communication Impact* (ci2) carries a weight of **3**, *C: Departmental impact* (ci3) a weight of **2**, *D: Minor micro unit impact* (ci 4) a weight of **1**.

The highest score (E) is repeated in this statistical equation and carries a weight of 1. FI1 to FI5 represent the different feedback issues that are being brought to the evaluation table after they were received through, written, verbal and electronic media. Each feedback issue (FI1 to FI5 or more) is evaluated against each of the other four possible levels of impact (A to D). A feedback issue, which is regarded by the communication manager or committee as having the potential to impact on the organisation as a whole (*A: Major organisational impact*), will receive the highest percentage score on the level of ci1 and the lowest percentage score at *D: Minor micro unit impact*. The reverse is true of a feedback issue, which is regarded as having a minor impact on the organisation.

If feedback issues are evaluated in this manner by a group or committee, each member of the group gives a percentage score on each level and the average of all scores are logged in the yardstick. In the end the MS Excel programme will automatically calculate a weighted average value, which will represent a ranking score.

The communication manager can thus easily see what the most important informal communication issues are or which ones have the most crucial impact potential. Attention should then firstly be given to these crucial issues.

The benefits of applying the *Informal Feedback Yardstick* are:

- Its objectivity – Different feedback issues can be discussed and consensus can be reached between groups of corporate communication managers;
- It categorises feedback issues and systemises thinking with regard to the bigger picture sketched by the *Informal Feedback Intervention Wheel*; and
- It forces communication managers to systemise and document feedback input and to give attention to all feedback input on a regular and ongoing basis.

One negative aspect of the yardstick is that it can be time consuming to submit all informal feedback, ranging from e-mail to telephone conversations and rumours, to this type of evaluation.

The *Multi-Layer Informal Feedback Intervention Wheel* as well as the *Informal Feedback Yardstick* will be fully applied and tested during an anonymous case study of Company X described towards the end of Chapter Five.

4.23. Conclusion

Constant learning from stakeholders (by means of formal and informal feedback) is a prerequisite for learning organisations to survive today's hostile business environment. The engagement and dialogue with stakeholders are necessities for modern organisations. If organisations wish to build a reputation of good corporate governance particular attention to stakeholder issues is critical. Allowing all stakeholders' informal feedback into the organisational system is an inexpensive way to optimise learning.

To become a learning organisation the organisation has to make a commitment to change its fundamental core. Listening involves more than just providing an ear to stakeholders, but involves true commitment to change the core of the organisation. It can be concluded from this chapter that multiple feedback opportunities are critical for building and enhancing learning organisations.