The Grapevine is Alive in West Michigan Firms

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Introduction:

As much as 70 percent of all organizational communication may occur at the grapevine level—the informal communication medium within an organization. Consequently, the grapevine is an inevitable part of organizational life—a natural consequence of people interacting. However, we know very litle about how managers perceive the characteristics and functioning of this informal communication network.

The purpose of our research was to examine West Michigan managers' perceptions of the factors associated with grapevine activity. Of particular interest was to determine the extent to which the managers' position within the organization affects their perceptions of grapevine activity.

A 53-item questionnaire was mailed to a random sample of 416 public and private organizations with 50 or more employees throughout a six county Western Michigan area (Ottawa, Kent, Muskegon, Calhoun, Berrien, and Kalamazoo). These organizations represented a wide diversification of economic activities and industrial sectors. We received completed questionnaires from 158 organizations, for a response rate of 38 percent.

Perceptions of Grapevine Activity:

Respondents were asked to identify their perceptions of grapevine activity in the following four areas: (1) conditions associated with grapevine activity; (2) conditions influencing when grapevine communications become important to employees; (3) perceptions of the general characteristics of the grapevine; and (4) whether managers should actively try to participate in and influence the grapevine.

It should first be noted that among our sample of managers, a majority indicated that there was an informal and unsanctioned communication network (i.e., the grapevine) in their company and that it would never cease to exist regardless of management's opinion of it. We also found that the managers' position within their organizations affected their perception of grapevine activity. The highlights of our findings seem to indicate that lower level managers are more aware of conditions associated with grapevine activity and are also more likely to be involved with influencing how the grapevine functions (e.g., 92% of our lower-level managers perceived an active, informal grapevine network operating in their company, whereas only 70% of upper level management perceived its existence).

The general consensus among managers is that activity tends to increase when the subject matter is important to employees, when there is a lack of formal management communication, and during times of uncertainty. Negative organizational conditions such as a lack of trust em to encourage more grapevine activity. The communication becomes more important when formal communications are not clear or are ambiguous and the subject matter is important.

The majority of respondents indicated that most information is transmitted during work hours/times, during coffee and lunch breaks, and after work in informal settings. Most believed the grapevine was faster and more flexible than the formal network. However, while previous studies have attested that most information transmitted by the grapevine is accurate (estimates of accuracy rates range from 75 to 82 percent) over half of our respondents (62%) felt that the grapevine contained very little truth or was only partially accurate.

Perceived Benefits:

The majority of respondents (82 percent) believed the grapevine served a useful function when conditions are ambiguous and employees feel stressed by serving as a mechanism for employees to express their anxieties. A majority (81 percent) also indicated that the grapevine can help satisfy employees' desire to know what is going on (satisfy a natural curiosity) by supplementing the formal communication channels and can give employees a sense of belonging. Respondents indicated that the grapevine can also be used as an early warning system to provide advance knowledge about organizational events. However, in contrast to previous research that found that informal communication networks are often an indication of organizational health and morale (e.g., a greater degree of informal communication has been found to be correlated with higher turnover and with higher levels of stress and insecurity), less than half of our respondents thought the grapevine could serve as an indication of organizational health and morale or help increase efficiency by pointing out problem areas.

Recommendations:

As a result of our analysis, several suggestions seem appropriate for practicing managers.

(1) Management must take an active, participatory role in the organizational communication processes by focussing efforts on influencing conditions associated with grapevine activity. The work environment often is one that is conducive to grapevine activity because the situation is one that is important to employees and often much secrecy surrounds many organizational decisions. These characteristics create conditions that encourage the utilization of the grapevine.

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(2) Respect the employees' need to know and to understand organizational issues. Often, time spent communicating is perceived as a loss in productivity; however, poor communication may also result in lost productivity and efficiency.

(3) Organizational communications must be planned. Managers who fail to adequately prepare themselves before communicating to employees may leave employees confused and frustrated. The organization should have policies and procedures that ensure effective employee communication occurs. These include such activities as conducting timely meetings, using bulletin boards, providing regular performance feedback to employees, communicating and clarifying organizational and individual goals and objectives, and managing dysfunctional conflict.

(4) Managers should avoid the natural tendency to hide bad news from employees. In the current climate of change, cost-control, and job insecurity, providing no news to employees often seems to be interpreted as bad news. Hiding information or stretching the truth may lead to employee frustration and inaccurate perceptions.

(5) Management needs to act promptly to correct false information concerning organizational policies, practices, and general plans for the future.

(6) An organization's communication program should undergo regular evaluations to assess its effectiveness. Continuously monitoring both the formal and informal communications with a focus on quality improvement is essential.

The absence of policies and procedures within the organizations we surveyed is a reflection of a lack of attention currently given grapevine activity. On the positive side, however, most of our sample felt organizations should be doing more to keep their employees informed in order to indirectly influence the amount and accuracy of information transmitted along the informal channels.

International Purchasing Strategies of West Michigan Firms: An Empirical Analysis

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INTRODUCTION

Reducing geographic and economic barriers are making the world a smaller place to trade in. Technology continues to play no small role in this shrinking of the globe, the Internet revolution continues to dramatically alter the way business is done. In addition to these, competitive pressures are also altering the way purchasing decisions are made. According to several researchers, to meet the global competitive challenge that exists today, firms must be able to offer customers new products of high quality and perceived value. And, because purchasing required inputs internationally can assist firms doing this, international purchasing has become an increasingly popular competitive approach.

The purpose of this study is to examine the international purchasing practices of west Michigan managers. Specifically, this study investigates the purchasing executives' perceptions of the problems relating to overseas buying, the policies used in working with overseas suppliers, the criteria for choosing overseas suppliers, the existing trading relationships with overseas suppliers, and the performance of their overseas suppliers.

STUDY METHODOLOGY

To obtain data on the international purchasing practices of west Michigan managers, an International Supplier Instrument was designed by the researchers. The instrument contained two parts. The first part dealt with demographic and organizational information to be used for differentiation purposes. The second part dealt with specific questions pertaining to various issues in international purchasing. These questions were compiled from existing literature (Carter and Vickery 1988, Carter and Narsimhan 1990, Min and Galle 1991, Spekman 1991, Birou and Fawcett 1993, Min and Galle 1993, Murphy and Daley 1995).