

communication (or information) overload and adversely affect decision making.

- This may happen to managers wanting to be kept fully informed of the activities of all their subordinates.
- As a result, they may miss key issues, fail to respond to urgent requests and generally become less effective in their result.
- At the same time, they may come under great stress as a result of their inability to cope.
- The solution is to encourage managers to delegate more widely, reducing the need for so much upward communication.

Many layers of hierarchy

- As firms grow in size, they tend to add more layers of hierarchy.
 - This in turn makes communication more difficult, as messages moving from the top of the organisations to the bottom have to go through more intermediaries.
 - This slows down the decision-making process and makes it more likely that messages will get distorted or confused.
- One possible solution to the inevitable problems of communication associated with large organisations is decentralisation.
- Decentralisation reduces the volume of day-to-day communication between head office and the branches, and thus senior managers more time to consider long-term strategy, while empowering local managers and encouraging them to be more innovative and motivated.

Employee representation

- All organisations involve employees in decision-making to some extent.
 - In small organisations, this may simply involve employers providing their employees with information and asking for their views.
 - In larger organisations, informing and consulting employees is essential in order to maintain good employer/employee relations and is also a legal requirement.
- Employee representation may take many forms, including trade unions, works councils and other employee groups.
- Employee representation is also known as employee participation and industrial democracy.

Employee representation and motivation

- Theories of motivation suggest that employees are happier if they feel involved and if their views are valued by management.
- More involvement of employees can improve motivation, which in turn may result in lower labour turnover and often, more innovation and more effective problem solving, all of which lead to increased productivity.

Employee representation and decision making

- Problems can arise from employee representation, as involving more people in decision making may slow the whole process down.
 - This is not necessarily a bad thing if it causes firms to review situations from different perspectives and therefore make more informed decisions.
- Managers may resent the power and influence of workers and the amount of information they are provided with.
 - Workers, on the other hand, may feel that they do not have enough power or are not provided with enough information.
- Representation can be costly in relation to setting up the process and both the actual and opportunity cost of the time that the workers are involved in meetings.