

A CASE STUDY ON THE GRAPEVINE AND ITS EFFECTIVENESS
IN SUPPLEMENTING THE FORMAL CHANNELS OF COMMUNICATION
IN NORTH DAVAO MINING CORPORATION

An Undergraduate Thesis

Presented to

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by

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In Partial Fulfillment

of the Requirements for the Degree of

Bachelor of Arts in Organizational Communication

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APPROVAL SHEET

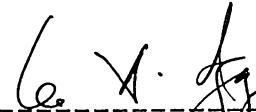
This thesis entitled "A CASE STUDY ON THE GRAPEVINE AND ITS EFFECTIVENESS IN SUPPLEMENTING THE FORMAL CHANNELS OF COMMUNICATION IN NORTH DAVAO MINING CORPORATION," was presented by Caroline Lourdes B. Concepcion in partial fulfillment of the requirements for the degree of Bachelor of Arts in Organizational Communication and is hereby accepted.

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My deepest thanks and appreciation...

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CAROLINE B. CONCEPCION

ABSTRACT

The grapevine is an informal channel of communication in an organization. It is the transmission of messages from one person to another, existing largely by word of mouth.

Every organization has its grapevine, for no other reason than that not all messages are suitable for dissemination through the official and formal channel of communication. According to Keith Davis, "no administrator in his right mind would ever try to abolish the grapevine. It is as permanent as humanity is. It should be recognized, analyzed and consciously used for better communication. And since it is here to stay, people should learn to live with it." However, people have strong and conflicting views regarding the effectiveness of the grapevine. Some people regard the grapevine as an evil -- a thorn in the side which regularly spreads rumor, destroys morale and reputations, leads to irresponsible actions and challenges authority. Others regard it as a good thing because it acts as a safety valve and carries news fast. Others regard it as a very mixed blessing. Whether the grapevine is considered an asset or a liability, it is important for executives and subordinates to try to understand it.

In this study, the researcher sought to find how the grapevine operates in North Davao Mining Corporation and how effective it is in supplementing the existing formal channels of communication and in achieving communication efficiency in the organization.

The researcher handed out survey questionnaires, the first questionnaire to the five executives and the second questionnaire to the forty randomly selected subordinates (from the senior staff down to the rank-and-file).

Questionnaire #1 contained four multiple-choice questions, all directed towards the management's views and perceptions of the use of grapevine in NDMC and the effectiveness and accuracy of the grapevine as a transmitter of official information.

Questionnaire #2 centered on three most recent and timely pieces of information namely 1) privatization of NDMC, 2) power outage due to NPAs and 3) changing of NDMC's old office uniform. The basic approach was to find out from each respondent how and from whom he first learned (or did not learn) about the three pieces of information. All chains or sequences were plotted to find out any discernible pattern of communication for every piece of information. The purpose for tracing the flow of communication was to identify who among the forty respondents were constantly active in the grapevine and what common traits they have, if any. Those active in the grapevine were asked to quote the exact messages they had relayed to others. After gathering all the responses, the researcher verified and checked

the accuracy of these responses by asking one of NDMC's top executives to judge whether or not these responses were indeed true and accurate.

From the results and responses of the respondents, the researcher has proven that the grapevine is indeed widely accepted and practiced in NDMC. It is relatively accurate, therefore, it affects communication efficiency in NDMC positively and favorably. It is effective because it is a fairly accurate source and transmitter of information and thus, can supplement the formal channels of communication in NDMC. As far as NDMC is concerned, the researcher's hypothesis that the grapevine is effective in supplementing the formal channels of communication has been proven.

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CHAPTER ONE

INTRODUCTION

So much has been said and written about the grapevine; however, not much is known about its effectiveness in supplementing the formal channels of communication and in achieving communication efficiency in an organization. Aware of the fact that the grapevine is indeed present in every organization, the researcher believes that the grapevine must be recognized, analyzed and used for better communication. Therefore, the researcher became interested in studying and analyzing the dynamics of grapevine and in finding out whether or not the grapevine can function as an effective transmitter of information in an organization.

1.1 Conceptual Framework

A way of making the formal organization work effectively is to recognize and take full advantage of the informal organizations within it. An informal organization is "the part of the organization that is not represented in the structured system. It consists of various relationships that exist for unofficial reasons" (Steinmetz, 1979: p. 256). Previous studies showed that an informal organization is an official network of personal and social relations not established or required by formal authority but arising spontaneously as people associate with one another. For example, an informal organization might be a group of people who have lunch together because they work on

the same floor in the same building. Or it might be a group of people who have a common bond, such as religious ties, having come from the same state, or being interested in professional sport. According to Koontz and O'Donnell, since formal organization is a social tool for the conscious coordination of activities toward a goal, "informal organization necessarily precedes it" (1972: p. 408). Before coordination and structure can be given to group behavior, there must be communication, association and a concrete goal. People seek associations and the satisfactions that arise from them.

Barnard observes that informal organizations are rather an important "means of maintaining the personality of the individual against certain effects of formal organizations which tend to disintegrate personality" (in Koontz and O'Donnell, 1972: p. 409). Many managers, understanding this fact, consciously use informal organizations as channels of communication and molders of employee morale. Informal systems blend well with formal systems to make an effective total system. According to Davis, formal plans and policies "cannot meet every problem in a dynamic situation because they are preestablished and partly inflexible" (1981: p. 385). Some requirements can be met better by informal relations, which can be flexible and spontaneous. These informal relations are safety valves for employee frustrations and other emotional problems. Employees may relieve emotional pressures by discussing them with someone else in an open and friendly way, and one's associates in the

informal group provide this type of environment.

The grapevine is the communication system of an informal organization. Therefore, it provides the means for people to keep in touch, to learn more about their work and to understand what is happening in their environment. It coexists with management's formal communication system. The term "grapevine" applies to all informal communications. It is the transmission of messages from one person to the other, existing largely by word of mouth. The grapevine arises from social interaction. It is the people's expression of their natural motivation to communicate. It is the exercise of their freedom of speech and is a natural and a normal activity. In fact, if employees are so uninterested in their work that they do not engage in shoptalk about it, they are probably maladjusted. Davis believes that the grapevine is a human birthright because whenever people congregate into groups, it is sure to develop.

The grapevine will always be there. Organizations cannot fire the grapevine because they did not hire it. It is simply there (1981: p. 390).

The term "grapevine," however, is technically different from the term "rumor." Therefore, the latter should not be used as a synonym for the whole grapevine. Davis, in fact, emphasized that there is an important difference between the two terms.

Rumor is grapevine information that is communicated without secure standards of evidence being present. It is the unverified

and untrue part of the grapevine. It could by chance be correct, but generally it is incorrect; so it is presumed to be undesirable (1981: p. 394).

Having been a professor of management, organizational behavior and the grapevine at Arizona State University since 1958, Davis has discovered that "the grapevine is influential, both favorably and unfavorably. It accomplishes so much positively and negatively that it is difficult to determine whether its effects are positive or negative" (1981: p.394).

The grapevine may have positive effects on communication efficiency in an organization. Keith Davis believes that the grapevine gives managers much feedback about employees and their jobs. According to him, it also helps interpret management to subordinates. It especially helps translate management's formal orders into employee language, in this way making up for any management failures in communication:

In several instances the grapevine carries information that the formal communication system does not wish to carry and purposely leaves unsaid. For example, a superior who is in a bad mood because of personal or job problems usually cannot announce this fact officially to subordinates. The better approach is to "put it on the grapevine" so that subordinates are forewarned informally not to make requests that can be delayed. Managers, therefore, need to listen to the grapevine. Davis observes that some managers prefer to ignore the grapevine and let it go its

separate way. He has always stressed that this approach overlooks the important role the grapevine plays in organizations.

The grapevine tells managers what employees are excited about and what is important to them. It shows gaps in information and helps to pinpoint these with regard to certain departments or areas. It provides useful information to any manager who is trying to understand what is happening in the organization (1981: p. 394).

Informal communication, particularly the grapevine, can be a useful channel of employee communication. It provides the means for people to keep in touch, to learn more about their work and to understand what is happening in their environment.

Some authors believe that the grapevine is the fastest means of communication in any organization, that it can be extremely useful when it is employed as a supplement to formal communication. This is said to be particularly true in situations in which formal communication is written rather than spoken. For example, it may take only a few seconds for a secretary to tell a supervisor that a letter is being typed giving approval for a raise to another supervisor working on the loading dock. The first supervisor may communicate that information in only a few minutes to the individual who is to get a raise. But it may take several weeks for the letter actually to be typed up, signed by the person who approves the raise, and sent formally through the company so that the employee will be

officially notified that a raise is forthcoming.

On the other hand, others believe that the grapevine may have negative effects on communication efficiency in an organization. According to Davis, "the grapevine is as fickle, dynamic and varied as people are" (1981: p. 388).

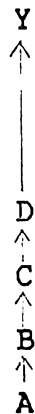
The grapevine exists largely by word of mouth (oral and verbal transmission). Therefore, some critics call the grapevine a "mill" because "the message passes into the grapevine, whirls through the circuit and emerges almost unrecognizable due to the distortions and embellishments accumulated along the way" (Riggs, 1979: p. 57). Sometimes only the good part of the news is passed along to protect the listener's feelings, or only the bad part is told to satisfy some motive of the teller. There is a chance for misinterpretation owing to the choice of words used in the transmission. The grapevine, therefore, can cause the distortion of information or the misinterpretation of facts.

We are told by some authors that one of the grapevine features is its fast pace. Being flexible and personal, it spreads information faster than most management communication systems. With the rapidity of a burning powder train, the grapevine filters out of the woodwork, past the manager's office, through the locker rooms and along the corridors. This grapevine feature is an advantage when the information is accurate, true and desirable. However, if the information is undesirable, its fast speed makes it quite difficult for management to stop it.

Human communication requires at least two persons, but each person acts independently. Person A may talk or write, but he has not communicated until person B receives. The individual is, therefore, a basic communication unit. That is, he is one "link" in the communication "chain" for any bit of information.

According to Keith Davis, the formal communication chain is largely determined by the chain of command or by formal procedures, but the grapevine chain is more flexible. He identifies four different ways of visualizing this:

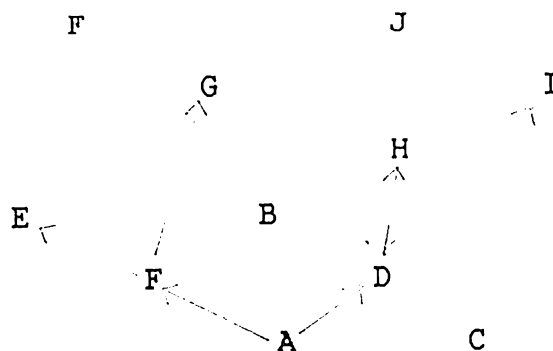
A. The Single-strand Chain-- A tells B, who tells C, who tells D, and so on, until twenty persons later, Y gets the information -- very late and very incorrect. Such a chain is usually in mind when one speaks of how the grapevine distorts and filters information until the original item is no longer recognizable.



B. The Gossip Chain-- A tells everyone else.

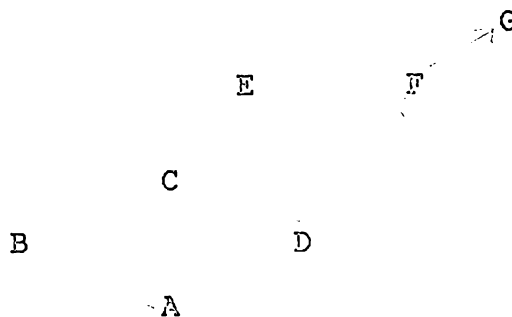


C. The Probability Chain-- A communicates randomly, say, to F and D, in accordance with the laws of probability; then F and D tell others in the same manner.



D. The Cluster Chain -- A tells three or four others (such as B, C and D). Only one or two of these receivers will pass the information forward and they usually will tell more than one person. Then as the information becomes older and the proportion of those knowing it gets larger, it gradually dies out because those who receive it no longer feel the need to repeat it. This

communication chain is highly selective. Confidential information, for instance, is told to some selected others only.



1.2 Previous Studies on the Grapevine

The grapevine is an important part of the organization. Therefore, many professors and researchers chose to study it. Keith Davis, Eugene Walton and Hinrichs were among those who decided to study and analyze the grapevine network.

The major concern of Davis's research is with the operation of the grapevine and how this informal communication system transmits information throughout the organization.

The organization studied was a regional tax office of a state government. The sample of respondents consisted of all seventy-nine employees of the office, ranging from the regional director to auditors, tax representatives and clerical help.

Davis's ecco analysis method was used to study the flow

of information through the grapevine. Over a period of seven months, nine pieces of information were studied. For each piece of information, each subject independently completed a questionnaire which provided data concerning where, when and how he or she learn (or did not learn) about the piece of information.

For each of the nine pieces of information studied, a subject was involved in one of three ways with the information: he had not heard it through the grapevine, he had heard it but had not passed on the information to someone else, or he had heard it and had passed it on to someone else.

Eugene Walton studied the efficiency of the grapevine through a survey. In the study, one hundred employees chosen at random were asked "Suppose management made an important change in the way the organization would be run. Through what channel or means of communication would you expect to hear about it first?" Their answers: Grapevine (38%), Supervisor (27%), Official Memo (17%), House Organ (7%), Others (11%). The employees were then questioned further to determine how much of their official information they thought they got from the grapevine and what credibility they placed in it.

Hinrichs used a self-observation sampling procedure. Each morning, participants were given data collection forms for five observations. Observation times had been preselected randomly by a computer and printed on the forms. Each

participant set a small pocket alarm watch to ring at the first observation period, and then immediately recorded what was happening at the time the alarm sounded. The alarm was set for the time of the second observation, and process was repeated for five observations.

In her study, the researcher will combine the approaches used by Davis and Walton. Davis's ecco analysis method will be used by the researcher to study the flow of information through the grapevine as well as to determine the accuracy and truth content of the messages relayed. Walton's method will be used by the researcher to determine the extent of use of the grapevine as an initial source and transmitter of information as well as to find out the executives' views and perceptions of the use and effectiveness of the grapevine. Hinrich's self-observation sampling procedure, however, will not be used by the researcher in her study. This is because the researcher foresees continuous observation to be time-consuming and difficult. Listening to ongoing conversation while simultaneously recording data according to preselected classification can divide the researcher's attention.

1.3 Statement of the Problem

In this study, the researcher addresses a two-part problem. The first part of the problem describes the dynamics of the grapevine and its operation in an organization. This

includes a study of the extent of use and the pattern of communication existing in the organization. The second part measures the effectiveness of the grapevine in supplementing the formal channels of communication and this includes an evaluation of the accuracy and truth content of the message. Grapevine is effective when the message is "relatively accurate." "Relatively accurate" does not mean 100% accurate. We must realize that meanings are in the minds of people and that no two people perceive the same thing in exactly the same way. However, people must try to be objective at all times. Grapevine is effective when the message passed on from person to person is correct -- not distorted or misinterpreted. The message that is actually communicated by the sender is what was understood by the receiver. The researcher will find out whether the grapevine is an asset or a liability to the organization and whether the grapevine affects communication efficiency favorably or unfavorably.

Combining the two parts of the problem, the researcher has come up with the following statement:

HOW DOES THE GRAPEVINE OPERATE IN AN ORGANIZATION? HOW EFFECTIVE IS IT IN SUPPLEMENTING THE FORMAL CHANNELS OF COMMUNICATION (IN ACHIEVING COMMUNICATION EFFICIENCY IN AN ORGANIZATION)?

1.4 Objectives of the Study

Given this problem, the researcher aims to meet the following objectives:

1. To determine the extent of use of the grapevine as an initial source of information which subordinates turn to to find out what is going on in the organization;
2. To trace and identify the pattern of communication existing in the organization;
3. To determine the accuracy and truth content of the messages relayed by the active grapevine communicators to others;
4. To find out the executives' views and perceptions of the use and effectiveness of the grapevine as a source of official information.

1.5 Methodology

Source of Data

The researcher has chosen to do a case study on North

Davao Mining Company (NDMC), located at 104 Gamboa Street, Legazpi Village Makati, Metro Manila, because aside from the fact that grapevine is present as in all other organizations, people in this company are willing to cooperate and give information needed by the researcher in her study.

North Davao Mining Corporation was incorporated as a 100% privately-owned Filipino company on November 13, 1974. The company later became partially owned by a government financial institution, the Philippine National Bank (PNB). This came about as a result of the conversion of a portion of PNB's loans to NDMC into equity. On June 30, 1987, the Asset Privatization Trust (APT) stepped into the shoes of PNB when the latter transferred all its loan and equity interest in NDMC to the APT. The APT is the government entity tasked with the privatization of state-owned and controlled corporations by virtue of Proclamation No. 50 issued by President Corazon C. Aquino. It is the APT's intention to transfer the company back to private ownership as soon as feasible.

The management team of NDMC is composed of five executive officers: Mr. Ahmor B. Estebanlar as president, Mrs. Leoncita B. Concepcion as VP-Treasurer, Mr. Jose L. Gatmaitan, Jr. as VP-Engineering and New Projects Development and OIC-Operations and Mr. Danilo V. Pulido as VP-Finance and Administration. There are approximately sixty people comprising the Makati office (executives-5, senior staff-15 and rank-and-

file-45), 1,053 people in its minesite and 15 people in Davao City. The researcher, however, made a case study on only the company's makati office situated in Legaspi Village.

Sample

The sample used in the study consisted of five executives and forty randomly selected subordinates (from the senior staff down to the rank-and-file). The researcher believes that the sample must represent the whole organization. Therefore, both the executives and subordinates were included in the study for the purpose of determining whether or not the grapevine is accepted by all constituents of NDMC as an effective source and transmitter of information.

Instruments

Questionnaire #1 (see Appendix A) contained four multiple-choice questions, all directed towards the management's views and perceptions of the use of the grapevine in NDMC and the effectiveness and accuracy of the grapevine as a transmitter of official information. The anonymity of the five respondents was assured because the researcher foresaw that whether or not the executives identified themselves, it will not affect the results of her study.

Questionnaire #2 (See Appendix B) centered on three most

recent and timely pieces of information namely 1) privatization of NDMC 2) power outage due to NPAs and 3) changing of NDMC's old office uniform. The basic approach was to find out from each respondent how and from whom he first learned (or did not learn) about the three pieces of information. All chains or sequences were plotted to find out any discernible pattern of communication for every piece of information. The purpose for tracing the flow of communication was to identify who among the forty respondents were constantly active in the grapevine and what common traits they have, if any. Those active in the grapevine were asked to quote the exact messages they had relayed to others. After gathering all the responses, the researcher verified and checked the accuracy of these responses by asking one of NDMC's top executives to judge whether or not these responses were indeed true and relatively accurate. The respondents were asked to indicate their names and positions in the survey questionnaire because such information was needed by the researcher in analyzing the grapevine pattern. Permission for this was obtained from the respondents.

1.6 Scope and Limitation

The researcher limited her study on the accuracy and effectiveness of the grapevine to three most recent and timely pieces of information namely 1) privatization of NDMC 2) power outage due to NPAs and 3) changing of the old office uniform.

The researcher believes that considering these three pieces of information is already sufficient to gauge the relative accuracy and effectiveness of the messages passed on from person to person.

The researcher handed out questionnaire #2 to only forty randomly selected NDMC subordinates and thus, not all sixty subordinates comprising the Makati office had the chance of completing the survey questionnaire. Some subordinates involved in the grapevine, therefore, were not given the survey questionnaire resulting in a few unidentified positions of the respondents. However, the researcher believes that the forty randomly selected subordinates already represented the whole Makati office and that the data gathered from these forty respondents were adequate in tracing the pattern of communication more or less existing in NDMC.

CHAPTER TWO

PRESENTATION AND DISCUSSION OF RESULTS

The researcher has chosen to study a mining company like North Davao Mining Corporation because informal organizations exist within this formal organization. People engage in the grapevine, a powerful, influential and very important part of the organization.

The data gathered will be presented in tabular form. Specific questions, total number of respondents for every question and percentages will be indicated. Analysis will come after every question presented.

2.1 Data from Questionnaire for Executives

Questionnaire #1 was given to the five executives for the purpose of finding out the management's views and perceptions of the use of the grapevine in NDMC and the effectiveness and accuracy of the grapevine as a transmitter of official information.

TABLE 1

SUPPOSE YOU MADE AN IMPORTANT CHANGE IN THE WAY NDMC WOULD BE RUN. THROUGH WHAT CHANNEL OR MEANS OF COMMUNICATION WOULD YOU EXPECT THE EMPLOYEES TO HEAR ABOUT IT FIRST?

OPTIONS	TOTAL NO.	%
GRAPEVINE	1	20%
OFFICIAL MEMO	0	0%
STAFF MEETING	4	80%
HOUSE ORGAN/NEWSLETTER/MAGAZINE	0	0%
BULLETIN BOARD	0	0%
OTHER CHANNELS	0	0%

The table above shows that the executives still believe that important messages are suitable for dissemination through formal and official channels. Four of the respondents perceive that when it comes to important matters, the employees must know about the details through staff meetings. Only one executive said that employees hear about important changes through the grapevine. Perhaps, the four executives wanted to project that NDMC has a good formal communication system. However, it does not mean that they are fully condemning the grapevine as a transmitter of official information since according to Eugene Walton, "Every organization has its grapevine. Even companies with good formal communication systems have a grapevine."

TABLE 2

ABOUT WHAT PERCENTAGE OF NDMC'S OFFICIAL INFORMATION AND POLICIES WOULD YOU SAY COMES TO THE EMPLOYEES THROUGH THE GRAPEVINE?

OPTIONS	TOTAL NO.	%
LESS THAN HALF OF THE INFO. COMES FROM THE GRAPEVINE	0	0%
HALF OF THE INFORMATION....	4	80%
MORE THAN HALF OF THE INFO.	1	20%

The table above shows that the grapevine can be a source of information or channel of communication in NDMC. Four of the executives perceive that half of the information comes from the grapevine and only one of them perceive that more than half of the information comes from the grapevine. Through these data, we can say that in NDMC, there are both formal and informal channels of communication. Executives and subordinates transmit information through formal and informal (grapevine) channels. People rely on both. This is an indication that some of them do turn to the grapevine to find out what is going on in the organization.

TABLE 3

ABOUT WHAT PERCENTAGE OF THE TIME WOULD YOU SAY THAT THE GRAPEVINE TURNS OUT TO BE ACCURATE/CORRECT?

OPTIONS	TOTAL NO.	%
GRAPEVINE IS RIGHT LESS THAN HALF THE TIME	0	0%
GRAPEVINE IS RIGHT ABOUT HALF THE TIME	2	40%
GRAPEVINE IS MORE OFTEN RIGHT THAN WRONG	3	60%

The table above shows that the grapevine appears to be an efficient channel of communication in NDMC. It is now widely accepted that in some instances, the grapevine may supplement the formal channel of communication. Majority of the executives (60%) admit that the grapevine does not always carry distorted information and may in fact, be regarded as a very mixed blessing because the information it carries can be accurate/correct. Forty percent perceive the grapevine to be right about half the time. Nobody said that the grapevine is right less than half the time. This is an indication that the executives are aware that the grapevine, if recognized and analyzed, can do more good than harm to NDMC.

TABLE 4

IN YOUR OPINION, THE GRAPEVINE IS:

OPTIONS	TOTAL NO.	%
AN ASSET BEC. IT AFFECTS COMM. EFFICIENCY POSITIVELY AND FAVORABLY.	4	80%
A LIABILITY AND AN INTRUDER UPON THE OFFICIAL CHANNELS OF INFORMATION. IT AFFECTS COMM. EFFICIENCY NEGATIVELY AND UNFAVORABLY.	1	20%
NEITHER AN ASSET NOR A LIABILITY. IT DOES NOT AT ALL AFFECT COMM. EFFICIENCY	0	0%

The table above shows that the grapevine is considered by the NDMC's top executives to be more of an asset than a liability. However, it must be emphasized that these five executives were asked to support their answers and explain the reasons for their choices. Through their comments and explanations, the researcher found out that the grapevine can be an asset or a liability only when certain conditions are present. Here are the responses obtained by the researcher from the executives:

Grapevine is an asset provided informations passed thru are accurate and understood. Grapevine information dissemination is interactive. Reactions to changes are readily voiced out. Valid reasoning will come out.

The grapevine could be effectively used to test/gather reaction of those affected by the promulgation of policies/control and monitoring system being considered. Feedback from the grapevine while mingled with varied opinion/bias or whimsical interjections nevertheless are natural reactions. The information (feedback) may be used to polish the personal perceptions of another.

The grapevine can be a liability when information thru this channel becomes distorted or inaccurate. If this is the case, the employees are confused or are given wrong information.

These varied opinions all boil down to one thing: that the grapevine can be considered an asset provided that the information disseminated is consistent and relatively accurate and that the grapevine can be considered a liability if the information disseminated is distorted and misinterpreted. The fact that majority (80%) of the respondents perceive the grapevine to be an asset indicates that NDMC executives are willing to use the grapevine to the company's advantage.

2.2 Data from Questionnaire for Subordinates

Questionnaire #2 was handed out at random to forty NDMC subordinates for the purpose of finding out the pattern of communication existing in the organization and whether or not grapevine information is consistent and fairly accurate.

INFORMATION NO. 1: Privatization of NDMC

TABLE 5.1

HAVE YOU HEARD ABOUT THIS PIECE OF INFORMATION?

OPTIONS	TOTAL NO.	%
YES	24	60%
NO	16	40%
TOTAL	40	100%

TABLE 5.2

IF YES, HOW DID YOU FIRST RECEIVE THIS PIECE OF INFORMATION?

OPTIONS	TOTAL NO.	%
GRAPEVINE	16	67%
OFFICIAL MEMO	0	0%
STAFF MEETING	5	21%
HOUSE ORGAN/NEWSLETTER/MAGAZINE	1	4%
BULLETIN BOARD	0	0%
OTHERS (NEWSPAPERS)	2	8%
TOTAL	24	100%

The tables above show that the grapevine is indeed very much present in NDMC. Majority of the respondents (60%) are aware of the possibility of NDMC's privatization. Less than 50% are ignorant about it. Although there are other sources of information which the employees rely on, they initially heard about NDMC's privatization plan (perhaps unconsciously) through

the grapevine. This is an indication that people, in general, get the news straight from the grapevine. This is very evident in the data gathered: 67% heard about it first through the grapevine; 21% through the staff meeting; 4% through house organ/newsletter/magazine; 8% through the newspapers; nobody heard about it first through the other sources mentioned.

TABLE 5.3

DID YOU PASS ON THIS PIECE OF INFORMATION TO SOMEONE ELSE IN THE ORGANIZATION?

OPTIONS	TOTAL NO.	%
YES	15	62%
NO	9	38%
TOTAL	24	100%

The table above shows that majority of the respondents (62%) passed on the piece of information to someone else in NDMC. Only 38% failed or refrained from passing on the information. This is an indication that NDMC's privatization is something employees are interested in and are curious about.

IF YES, TO WHOM DID YOU PASS ON THIS PIECE OF INFORMATION IN THE ORGANIZATION? WHAT EXACTLY DID YOU TELL HIM/HER?

MESSAGES RELAYED BY THE RESPONDENTS TO ONE ANOTHER:

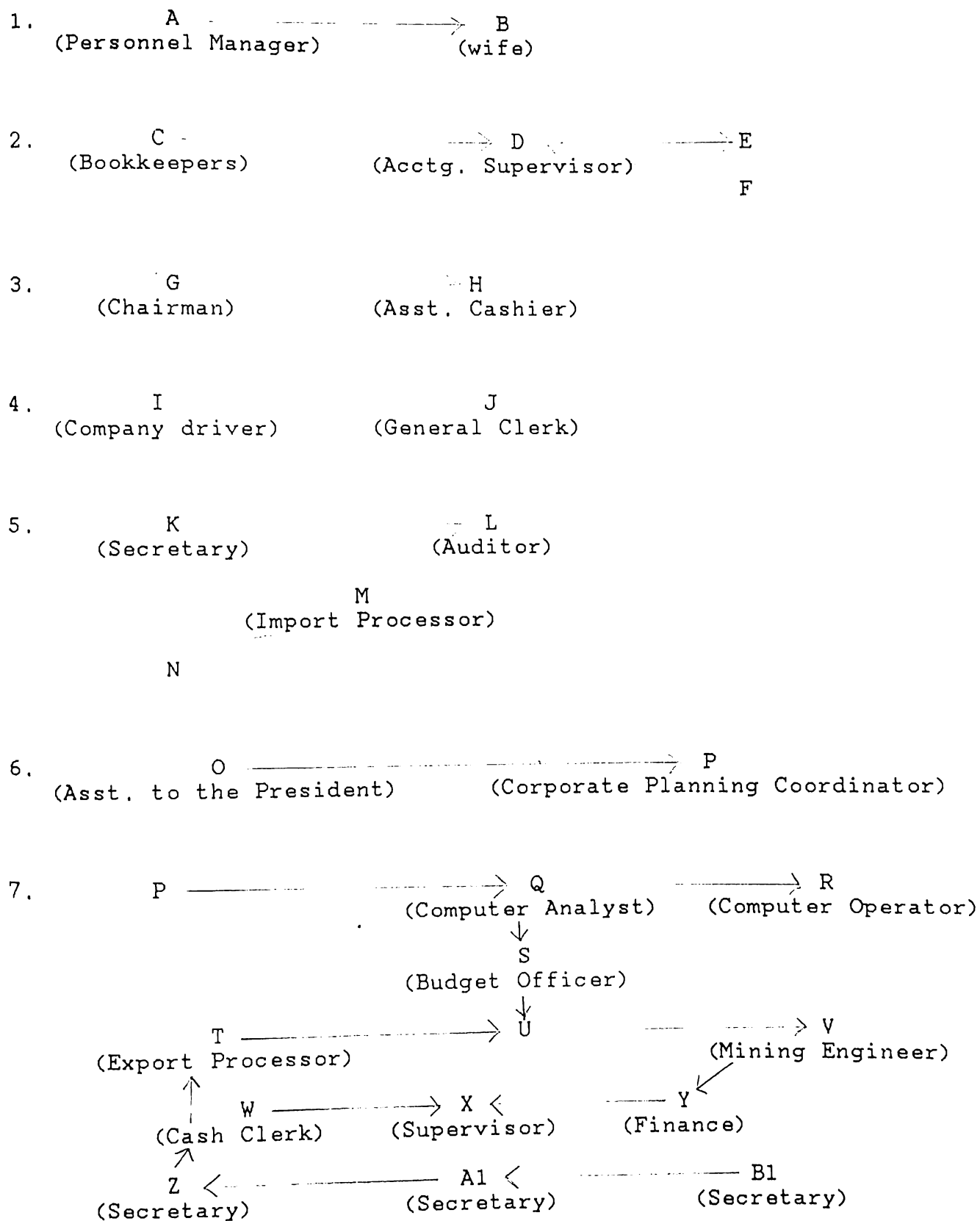
1. "NDCM will be sold to a foreign or local investor."
2. "NDCM will be sold to other interested private investors."
3. "NDCM is already under the Asset Privatization Trust (APT)."
4. "It is the APT's intention to transfer the company back to private ownership."
5. "Next year, NDCM will soon be 100% privately-owned."
6. "Employees will lose their jobs due to NDCM's privatization."
7. "NDCM will be privatized."

1. True
2. True
3. True
4. True
5. True
6. False NDCM employees and even its top executives can be retained by new owners. Employees must not worry about losing their jobs.
7. True

ACCURACY: 86%

Out of seven verified messages, six are true and only one is false. Messages disseminated through the grapevine were relatively accurate. According to Keith Davis, in normal work situations, well over 75% of grapevine information is accurate. In information #1, well over 86% of grapevine information is accurate. From this, we can say that messages relayed are consistent and relatively accurate.

PATTERN OF COMMUNICATION: Illustration #1



The kind of communication pattern existing in illustration #1 is a cluster chain. Each link in the chain tends to inform a cluster of other people instead of only one person. (There are seven clusters). Illustration #1 shows that some NDMC subordinates are active communicators on the grapevine for the specific piece of information (NDMC's Privatization) while others are not. Those active in the grapevine network are the accounting supervisor, secretaries, auditor, import processor, export processor, budget analyst, budget officer, export processor, bookkeeper, company driver, assistant cashier, cash clerk, mining engineer, etc... Seeing that these active communicators come from the senior staff down to the rank-and-file, it is reasonable to say that NDMC's Privatization is a piece of information vital to most employees. Employees talk about it, whatever positions they are in.

INFORMATION #2: Power Outage due to NPAs

TABLE 6.1

HAVE YOU HEARD ABOUT THIS PIECE OF INFORMATION?

OPTIONS	TOTAL NO.	%
YES	25	63%
NO	15	37%
TOTAL	40	100%

TABLE 6.2

HOW DID YOU FIRST RECEIVE THIS PIECE OF INFORMATION?

OPTIONS	TOTAL NO.	%
GRAPEVINE	16	64%
OFFICIAL MEMO	0	0%
STAFF MEETING	2	8%
HOUSE ORGAN/NEWSLETTER/MAGAZINE	3	12%
BULLETIN BOARD	0	0%
OTHERS (NEWSPAPERS)	4	16%
TOTAL	25	100%

The tables above show that majority of the respondents (63%) are aware of the possibility of power outage due to NPAs. Only 37% did not know about this piece of information. Of those who heard it, 64% heard it first through the grapevine. Only a few heard about it first from other channels such as staff meeting, house organ/newsletter/magazine and newspapers. Again, this is an indication that the grapevine is a very important channel of communication in NDMC.

TABLE 6.3

DID YOU PASS ON THIS PIECE OF INFORMATION TO SOMEONE ELSE IN THE ORGANIZATION?

OPTIONS	TOTAL NO.	%
YES	9	36%
NO	16	64%
TOTAL	25	100%

The table above shows that more than 50% failed or refrained from passing on the piece of information to someone else in NDMC. This may be an indication that although people in NDMC engage in the grapevine, most of them select the kind of information they pass on. Perhaps, most of them have heard about the information but have chosen not to tell their co-employees about it because they do not have the exact details yet and if they do tell others about it, they may do more harm than good. It is also possible that most of the employees have chosen not to pass on the information because they did not believe it the first time they have heard it and therefore, have kept quiet about it or simply found no need to pass it on.

IF YES, TO WHOM DID YOU PASS ON THIS PIECE OF INFORMATION IN THE ORGANIZATION? WHAT EXACTLY DID YOU TELL HIM/HER?

MESSAGES RELAYED BY THE RESPONDENTS TO ONE ANOTHER:

1. "There may be a decrease in expected production due to power outage."
2. "Production will be affected by power problem."
3. "NPAs may attack. This may result in NDMC's temporary suspension of operations."
4. "NPAs may think of cutting NDMC power lines. They do not

- realize that many families may be affected."
5. "NDMC may eventually close down."
 6. "NPAs can sometimes be trouble-makers."
-
1. True
 2. True
 3. True
 4. True
 5. False Power outage may indeed affect production. However, the suspension of operations is only temporary. The management of NDMC will definitely do something about this problem.
 6. True

ACCURACY: 83%

Out of six verified messages, five are true and only one is false. This shows that the messages relayed are relatively accurate.

PATTERN OF COMMUNICATION: Illustration #2

choose not to be involved in it. Bookkeepers, company drivers, general clerks, typists, elevator technicians, telephone operators, etc.... are employees who have not heard the piece of information. Perhaps, they are not involved with the given piece of information because their work does not give them the opportunity to know about it and communicate it to others.

INFORMATION #3: Changing of the old office uniform

TABLE 7.1

HAVE YOU HEARD ABOUT THIS PIECE OF INFORMATION?

OPTIONS	TOTAL NO.	%
YES	28	70%
NO	12	30%
TOTAL	40	100%

IF YES, HOW DID YOU FIRST RECEIVE THIS PIECE OF INFORMATION?

OPTIONS	TOTAL NO.	%
GRAPEVINE	23	82%
OFFICIAL MEMO	2	7%
STAFF MEETING	2	7%
HOUSE ORGAN/NEWSLETTER/MAGAZINE	0	0%
BULLETIN BOARD	0	0%

OTHERS (NEWSPAPERS)	1	4%
=====		
TOTAL	28	100%
=====		

The tables above show that majority of the respondents (70%) are aware that they will be given a new set of uniforms this year, 1990. Only 30% do not know about this piece of information. Again, majority of those who know about it heard it first through the grapevine (82%). Only a few initially learned about it through formal channels: official memo (7%); staff meeting (7%); others -- newspapers (4%). This seems to be an indication that changing of uniforms is something NDMC employees talk about and look forward to. The grapevine is again, the channel of communication most subordinates turn to in finding out changes being made in NDMC.

TABLE 7.3

DID YOU PASS ON THIS PIECE OF INFORMATION TO SOMEONE ELSE IN THE ORGANIZATION?

=====		
OPTIONS	TOTAL NO.	%
=====		
YES	18	64%
NO	10	36%
=====		
TOTAL	28	100%
=====		

The table above shows that employees pass on information

to their co-employees if the information concerns their job. Majority of the respondents (64%) passed on the information probably because they felt that it is every employee's right to know whatever changes the management imposes, especially if the change concerns him/her. Since this piece of information is not very controversial, most employees readily informed others about it. Therefore, only a few (36%) failed or refrained from passing on the message to someone else probably because they felt they had other things to talk and think about other than this.

IF YES, TO WHOM DID YOU PASS ON THIS PIECE OF INFORMATION IN THE ORGANIZATION? WHAT EXACTLY DID YOU TELL HIM/HER?

MESSAGES RELAYED BY THE RESPONDENTS TO ONE ANOTHER:

1. "The committee is planning to give NDMC employees a new set of uniforms."
2. "Employees of NDMC will be changing their uniforms this year 1990."
3. "Male employees will again wear barong tagalog."
4. "The new uniform will be similar to the old one. Green will still be the color."
5. "New uniforms were designed by a famous coutourier."
6. "The new uniforms are almost ready."

1. True
2. True
3. True
4. True
5. True
6. True

ACCURACY: 100%

All six verified messages are true. This indicates that messages relayed are accurate.

Illustration #3 shows a cluster chain of communication. Each link in the chain informed a cluster of other people instead of only one person (There are five clusters). Majority of the respondents are active communicators on the grapevine for this specific piece of information (changing of the uniforms). Those active are secretaries, cash clerks, bookkeeper, telephone operator, purchasing clerk, assistant cashier, general clerks, budget analyst, typists, general cashier, supervisors and export processor, majority of them come from the junior staff and the rank-and-file.

CHAPTER THREE

SUMMARY AND CONCLUSION

An informal social system or the grapevine exists in all organizations because it arises naturally from the interaction of people. The researcher decided to study the grapevine and find out whether or not it can function effectively as a transmitter of official information and more important, perhaps, how effective it is in supplementing the formal channels of communication in an organization, particularly North Davao Mining Corporation. Whether the grapevine is considered an asset or a liability, it is important for executives and subordinates to understand it. For one thing is sure: "Grapevine can never be abolished. It is as permanent as humanity is. It is here to stay, therefore, people should learn to live with it" (Davis, 1981: p. 43).

As far as the data show, it is now widely accepted that North Davao Mining Corporation's informal communication network (grapevine) is the first source of information most subordinates turn to to find out what is going on in NDMC and the executives affirm this. From their responses, we can conclude that the grapevine is indeed a prevalent channel of communication in NDMC. The grapevine is widely existing and is generally accepted and practiced. NDMC, however, does not rely on the grapevine alone. The grapevine is only part of the network of communication which actually includes the official channels -- the official memo, the

staff meetings, the house organ/newsletter/magazine, the reports and so on. According to Eugene Walton, "in a healthy organization, there will be both formal and informal channels of communication." From this, it is reasonable to say that NDMC is a healthy organization. Although NDMC has a good formal communication system, it still has its grapevine, for no other reason than that not all important messages are suitable for dissemination through official channels.

The kind of communication chain found in NDMC is the cluster chain. Some subordinates are active communicators on the grapevine for specific pieces of information while others are not. It is often said that the grapevine acts without conscious direction or thought -- that it will carry anything, any time, anywhere. This viewpoint has been epitomized in the statement that "the grapevine is without conscience or consciousness." But flagrant grapevine irresponsibility was not evident in NDMC, as far as the three pieces of information (NDMC's Privatization, Power Outage and Changing of the Uniforms) were concerned. In fact, the grapevine in NDMC showed that it could be highly selective and discriminating.

From the results, it is evident that the position or the kind of job one has in NDMC has an important influence on the employee's role in the grapevine network. Some jobs provide employees with more access to news that might be worth communicating. The result is that certain employees are more

active in the grapevine, not necessarily because of their personality but most probably because of their jobs or positions in NDMC. Their jobs give them a strong basis for being key people in the grapevine network. In the case of the secretaries, for instance, since they are directly under the executives, they receive first-hand information faster than other subordinates do. Because they are usually assigned by the executives to prepare written forms of communication, they are usually aware of whatever is going on in NDMC. Therefore, they are likely to be more active in the grapevine than others.

The finding that the grapevine had obviously been actively at work in the case of the three pieces of information would seem to indicate that the informal network or the grapevine thrives on the most recent, timely, interesting and vital news or pieces of information. From the results, it has been found that the grapevine can be humming with activity even when the news is not obviously personal. The grapevine in NDMC does not always pertain to a particular person and his private affairs. In fact, the grapevine usually busies itself with matters which are official and about organizational changes and other information that employees should be getting from the executives, as in the case of the three pieces of information considered in this study.

As far as NDMC is concerned, how accurate is the grapevine? From the results, we have already seen that

grapevine information in NDMC is relatively accurate. If we count the messages relayed by the respondents to one another and then verify which are true and which are false, we will find that most of them are true. Out of the nineteen verified messages, seventeen of them are true and only two of them are false. In NDMC, well over 90% of grapevine information is accurate. This shows that grapevine information in NDMC has a high percentage of accuracy, as far as the three pieces of information are concerned. The subordinates were objective and relayed whatever was actually communicated to them. Although they had different ways of saying things and their choice of words/terms varied, the content of their messages, in general, was more or less consistent and fairly accurate. From the responses, we can say that the message that was actually communicated was what was intended by the sender and what was understood by the receiver.

Because we have already seen that in NDMC, the messages disseminated through the grapevine are relatively accurate and the executives agree that the grapevine can indeed be a source and transmitter of official information, we may establish the idea that the grapevine is effective and it can supplement the formal channels of communication in achieving communication efficiency in NDMC. In NDMC, when the employees do not get the news straight from official sources, they usually fall back on the grapevine instead. Therefore, we can also establish the idea that the grapevine affects communication efficiency in NDMC positively and favorably. In this case, the grapevine is

considered an asset to NDMC.

In NDMC, informal and formal communication systems supplement each other. This mining company has a good and effective formal communication system and an active informal communication system or the grapevine. The executives and the subordinates rely on formal channels such as staff meetings, official memos, house organ/newsletter/magazine and newspapers, but they also turn to the informal channel such as the grapevine to find out what is going on in NDMC.

From the data gathered, we can conclude that the grapevine can be fairly accurate at least, in the case of the three pieces of information chosen for the study and therefore, is effective in supplementing the formal channels of communication in NDMC -- its effects on communication efficiency are positive and favorable. The grapevine provides the means for NDMC subordinates to keep in touch, to learn more about their work and to understand what is happening in their organization. It helps interpret management to subordinates. In several instances, the subordinates already know what to expect. They are able to prepare themselves. They are seldom unaware and put on a spot.

The results also show that the grapevine is the fastest means of communication in NDMC. It can be extremely useful when it is employed as a supplement to formal communication. Executives, therefore, need to listen to the grapevine. The

grapevine tells them what subordinates are excited about, what they need or want and what they think is important to them.

So many things have been said about the grapevine. However, all these boil down to the fact that the grapevine exists in NDMC and it seems to function effectively in supplementing NDMC's existing formal channels of communication.

CHAPTER FOUR

RECOMMENDATIONS

The following recommendations are suggested by the researcher for future studies on the subject of the grapevine:

In her study, the researcher considered three pieces of information which were actually suggested by one of NDMC's top executives. It is recommended that future researchers who plan to use the same research design and methodology initially conduct an exploratory study on what specific pieces of information are considered vital by the subordinates. From this exploratory study, the researcher will be able to find out what specific pieces of information must be considered in his study on the effectiveness of the grapevine.

Also, it is recommended that future researchers who plan to use the survey questionnaires in data gathering design it in a way that will include where and when the respondent first learned about the piece of information. This is because the time and place may have an effect on the accuracy of the grapevine. According to Davis, the grapevine of company news "operates mostly at the place of work." In his study, managers were frequently in contact with one another after work because the town is small; yet grapevine communications about company activities predominantly took place at the plant, rather than away from it. According to Eugene Walton, "the informal network thrives only on up-to-the-minute official news." By the time management can get the story out through its various formal

channels, it is no longer grist for the gossip mill. Future researchers must also include in the survey questionnaire the reasons the respondent has for passing or not passing on the information to someone else in the organization.

In her study, the researcher handed out questionnaire #2 to only forty subordinates chosen at random. In order to trace and identify all the "links" in the communication chain, all the subordinates must complete the survey questionnaire.

Lastly, since the study was conducted in a mining company, it is suggested that future researchers consider other kinds or nature of business. Although it seems there are no special conditions likely to make the executives and employees of a mining company act differently from their counterparts in other companies, the researcher still suggests that a grapevine study be conducted on politicians and if the grapevine still turns out to be accurate and effective, then we can conclude that the grapevine can indeed be an effective transmitter of information, any time and anywhere. From the researcher's observation, politicians tend to project a favorable image of themselves that information about them rarely carries the whole truth. They pass on only the good part of the message to protect themselves or their listener's feelings, or pass on only the bad part to satisfy their own motives and interests.

APPENDIX A

Survey Questionnaire #1
(For Executives)

The grapevine is the informal channel of communication in an organization. Through this questionnaire, the researcher hopes to find out management views regarding the effects of grapevine on communication efficiency in North Davao Mining Corporation (NDMC). The researcher requests your participation and cooperation. Please answer this questionnaire as objective as possible.

1. Suppose you made an important change in the way NDMC would be run. Through what channel or means of communication would you expect the employees to hear about it FIRST?

----- GRAPEVINE
----- OFFICIAL MEMO
----- STAFF MEETING
----- HOUSE ORGAN/NEWSLETTER/MAGAZINE
----- BULLETIN BOARD
----- OTHER CHANNELS (PLEASE SPECIFY): -----

2. About what percentage of NDMC's official information and policies would you say comes to the employees through the grapevine?

----- LESS THAN HALF OF THE INFORMATION COMES FROM THE GRAPEVINE
----- HALF OF THE INFORMATION COMES FROM THE GRAPEVINE
----- MORE THAN HALF OF THE INFORMATION COMES FROM THE GRAPEVINE

3. About what percentage of the time would you say that the grapevine turns out to be correct/accurate?

----- GRAPEVINE IS RIGHT LESS THAN HALF THE TIME
----- GRAPEVINE IS RIGHT ABOUT HALF THE TIME
----- GRAPEVINE IS MORE OFTEN RIGHT THAN WRONG

4. In your opinion, the grapevine is:

----- AN ASSET BECAUSE IT AFFECTS COMMUNICATION EFFICIENCY POSITIVELY AND FAVORABLY.
----- A LIABILITY AND AN INTRUDER UPON THE OFFICIAL CHANNELS OF INFORMATION. IT AFFECTS COMMUNICATION EFFICIENCY NEGATIVELY/UNFAVORABLY.
----- NEITHER AN ASSET NOR A LIABILITY. IT DOES NOT AT ALL AFFECT COMMUNICATION EFFICIENCY.

(Please support your answer)

Thank you very much!

APPENDIX B

Survey Questionnaire #2
(For Subordinates)

The grapevine is the informal channel of communication in an organization. Through this questionnaire, the researcher hopes to find out more about the grapevine and its effects on communication efficiency in North Davao Mining Corporation (NDMC). The researcher requests your participation and cooperation. Please answer this questionnaire as objective as possible.

NAME: _____

POSITION: _____

I. INFORMATION #1: Privatization of NDMC

1. Have you heard about this piece of information?

_____ YES _____ NO

If your answer is YES, please answer numbers 2 and 3.
If your answer is NO, please proceed to II.

2. How did you FIRST receive this piece of information?

_____ GRAPEVINE

Who informed you about it? Please give the sender's full name(s):

_____ OFFICIAL MEMO
_____ STAFF MEETING
_____ HOUSE ORGAN/NEWSLETTER/MAGAZINE
_____ BULLETIN BOARD
_____ OTHER SOURCES (PLEASE SPECIFY): _____

3. To whom did you pass on this piece of information in the organization? Please give the receiver's full name(s):

What exactly did you tell him/her? _____

II. INFORMATION #2: Power outage due to NPAs

1. Have you heard about this piece of information?

_____ YES _____ NO

2. How did you FIRST receive this piece of information?

----- GRAPEVINE

Who informed you about it? Please give the sender's full name(s):

- OFFICIAL MEMO
- STAFF MEETING
- HOUSE ORGAN/NEWSLETTER/MAGAZINE
- BULLETIN BOARD
- OTHER SOURCES (PLEASE SPECIFY): _____

3. To whom did you pass on this piece of information in the organization? Please give the receiver's full name(s):

What exactly did you tell him/her? _____

III. INFORMATION #3: Changing of the old office uniform

1. Have you heard about this piece of information?

----- YES ----- NO

2. How did you FIRST receive this piece of information?

----- GRAPEVINE

Who informed you about it? Please give the sender's full name(s):

- OFFICIAL MEMO
- STAFF MEETING
- HOUSE ORGAN/NEWSLETTER/MAGAZINE
- BULLETIN BOARD
- OTHER SOURCES (PLEASE SPECIFY): _____

3. To whom did you pass on this piece of information in the organization? Please give the receiver's full name(s):

What exactly did you tell him/her? _____

Thank you very much!

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