



6

COMMUNICATION

6.0 INTRODUCTION

Communication is very important function to manage any organization whether it is small or large. In other words, nothing happens in management until communication takes place.

The word communication has been derived from Latin word “communis” which means common. Thus communication means sharing of ideas is common. It can be defined as exchange of facts, ideas, opinions or emotions between two or more persons to create a common ground of understanding.

Communication is the process of passing information & message from one person to another. It involves at least two persons i.e. a sender & a receiver. The sender develops & transmits a message to the receiver. The purpose is to achieve common understanding between the sender & the receiver.

The basic unit of communication in an organisation is the link between manager & subordinator. Managers communicate to their subordinates & receive messages from them. To be effective as a manager, you need to be an effective communicator.

6.1 OBJECTIVES

At the end of this lesson you will be able

- To know the communication process to be followed in any organization
- How informal communication is more important than the formal communication

**Notes****6.2 COMMUNICATION FUNCTION IN ORGANISATIONS**

The communication function is the means by which the activities in the organisation are coordinated to achieve the organisational goals. It is also the means by which the behaviour is modified, change is effected, information is made productive & goals are achieved. Whether it is with a business enterprise, a family, educational institution or trade exhibition, the transfer of information from individual to another is absolutely essential.

There are two main types of communication in every organisation – formal & informal communication.

6.2.1 Formal Communication

Formal communication refers to official communication which takes place through a chain of commands. It flows in formally established channels & is concerned with work related matters. Members of the enterprise are expected to communicate with one another strictly as per channels laid down in the structure.

The formal communication may be divided into three categories which are given as follows:

a) Downward Communication:

Under this system, the flow of communication is from the top management downward to the operating level. It may also be called a communication from a superior to a subordinate. It follows the line of authority from the top to the bottom of the organisation hierarchy. Downward communication consists of plans & policies, orders and instructions, procedures & rules etc.

b) Upward Communication:

It means the flow of information from the lower levels of the organisation to the higher level of authority. It passes from subordinate to superior as that from worker to foreman, foreman to manager. From manager to general manager & so on. This communication includes opinions, ideas, suggestions, complaints, grievances, appeals, reports etc.

It is very important as it serves as the feedback on the effectiveness of downward communication. Management is able

to know how well its policies, plans & objectives are followed by those working at lower levels of the organisation. It keeps the management informed about the progress of the work & difficulties faced in performance. On the basis of upward communication, the management revises its plans & policies & makes further planning.

c) Horizontal Communication:

The transmission of information and understanding between people on the same level of organisation hierarchy is called the horizontal communication. This type of communication is also known as lateral or sideward or crosswise communication. Usually, it pertains to inter departmental managers working at the same level of organisation or among subordinates working under one boss. Horizontal communication speeds up information and promotes mutual understanding. It enables the managers working at the same level to exchange information and co-ordinate their activities without referring all matters to the higher level of management.

The horizontal communication is generally of an informal nature. Whenever a departmental head requires some information from another departmental head, he tends to contact him directly. However, this type of communication can be oral or written.

6.2.2 Informal Communication

There is also a great deal of informal communication in an organisation. This communication flows through informal channels and may or may not be work related. Informal communication cuts through the formal organisational structure. Most of us are familiar with the term 'grapevine' used to describe a network of informal communication. Grapevines are present in all organisations. In fact, in large organisations, there are many grapevines moving up, down and across departments.

Grapevines flourish because communication is a natural human tendency. People who know each other in the organisation talk together informally. One thing they have in common is the organisation they work for, so they talk about the happenings in the organisation.

Grapevines carry two types of information : work related and people related. Employees want to know what is going on in

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the organisation. When they are not kept informed through formal channels, they seek information from the grapevine. Likewise, they are curious about the people they work with. Grapevine carry the type of personnel information not generally communicated through formal channels.

Employees get to know plans, promotions, punishments, etc, much before they are formally announced. Informality however, reduces uniformity of communication and sometimes false or distorted news is circulated.

Some employees consider the grapevine their main source of information. It is fast- they get information quickly and more information is given than is normally included in formal downward communications, which are often written and may originate from some one they do not know personally.

Manager often become frustrated with grapevines, particularly when they carry incorrect information. But grapevines exist; managers cannot stop them. Managers can, however, increase the accuracy of the grapevine by feeding it correct information. And they can try to reduce the relevance placed on grapevines by making certain that formal communication is complete and timely.

INTEXT QUESTIONS 6.1

1. Discuss Types of formal communication.
 2. Whether informal communication is good for any organization?
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6.3 IMPORTANCE OF COMMUNICATION

Communication is an indispensable part of the process of management. The success of an enterprise depends upon the effective of communication. Every manager must communicate in order to get things done through others. A good communication system offers the following benefits :

- 1. Basis of Decision-Making and Planning.** Communication is essential for decision-making and planning. It enables the management to secure information without which it may be possible to take any decision. The quality of managerial decisions depends upon the quality of communication. Further, the decisions and plans of the

management need to be communicated to the subordinates. Without effective communication, it may not be possible to issue instructions and orders. Effective communication helps in proper implementation of plans and policies of the management.

- 2. Smooth and Efficient Working:** Communication makes possible the smooth and efficient working of an enterprise. It is only through communication that the management changes and regulates the actions of the subordinates in the desired direction.
- 3. Facilitates Co-ordination:** Management is the art of getting things done through others and this objective of management cannot be achieved unless there is unity of purpose and harmony of effort. Communication through exchange of ideas and information helps to bring about unity of action in the pursuit of common purpose. It binds the people together and facilitates co-ordination.
- 4. Increases Managerial Efficiency:** Effective communication increases managerial efficiency. It is rightly said that nothing happens in management until communication takes place. The efficiency of a manager depends upon his ability to communicate effectively with the members of his organisation. It is only through communication that management conveys its goals and desires, issues instructions and orders, allocates jobs and responsibility and evaluates performance of subordinates.
- 5. Sound Industrial Relations:** Effective communication creates mutual understanding and trust among the members of the organisation. It promotes co-operation between the employer and the employees. Without communication, there cannot be sound industrial relations and industrial peace. It is only through communication that workers can put in their grievances, problems and suggestions to the management.
- 6. Helps in Establishing Effective Leadership:** Communication is the basis of effective leadership. There cannot be any leadership action without the effective communication between the leader and the led. Communication is absolutely necessary for maintaining man to man relationship in leadership. It brings the

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manager (leader) and the subordinates (led) in close contact with each other and helps in establishing effective leadership.

- 7. Motivation and Morale:** Communication is the means by which the behaviour of the subordinates is modified and change is effected in their actions. Through communication workers are motivated to achieve the goals of the enterprise and their morale is boosted. Although motivation comes from within yet the manager can also motivate people by effective communication, e.g., proper drafting of message, proper timing of communication and the way of communication, etc.
- 8. Effective Control:** Communication acts as a tool of effective control. The plans have to be communicated to the subordinates, the actual performance has to be measured and communicated to the top management and a corrective action has to be taken or communicated so as to achieve the desired goals. All this may not be possible without an efficient system of communication.
- 9. Job Satisfaction:** Effective communication creates job satisfaction among employees as it increased mutual trust and confidence between management and the employees. The gap between management and the employees is reduced through the efficient means of communication and a sense of belongingness is created among employees. They work with zeal and enthusiasm.
- 10. Democratic Management:** Communication is also essential for democratic management. It helps to achieve workers' participation in management by involving workers in the process of decision-making. In the absence of an efficient system of communication, there cannot be any delegation an decentralization of authority.
- 11. Public Relations:** In the present business world, every business enterprise has to create and maintain a good corporate image in the society. It is only through communication that management can present a good corporate image to the outside world. Effective communication helps management in maintaining good relations with workers, customers, suppliers, shareholders, government and community at large.



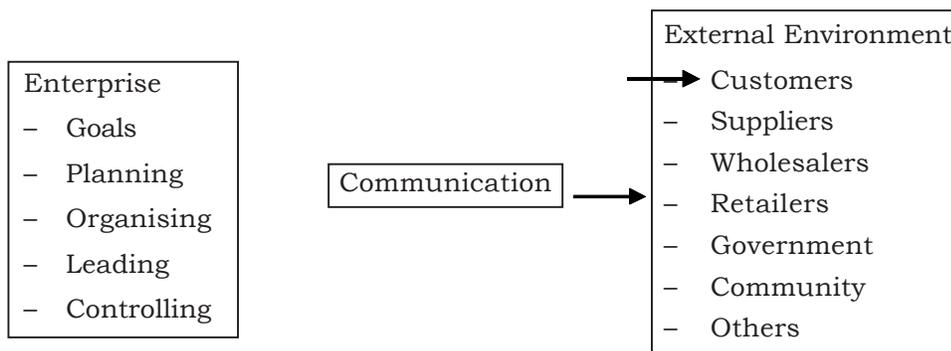
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6.4 PURPOSE OF COMMUNICATION

In its broadest sense, the purpose of communication in an enterprise is to effect change to influence action towards achieving the goals of the enterprise. Communication is essential for the internal functioning of the enterprises, because it integrates the managerial functions. Especially, communication is needed to:

- establish and disseminate goals of an enterprise,
- develop plans for their achievements,
- select, develop and appraise members of the organisation,
- lead, direct, motivate and create a climate in which people want to contribute,
- control performance,
- develop rapport with various agencies and organisations concerned with the business enterprise.

The Management Process



The Purpose and Functions of Communication

The above figure graphically shows not only that communication facilitates the managerial functions but also help an enterprise to relate to its external environment. It is through information exchange that managers become aware of the needs of customers, the availability of suppliers, the claim of stockholders, the regulations of governments, and the concerns of a community. It is through communication that any organisation becomes an open system interacting with its environment.

**Notes****6.5 COMMUNICATION PROCESS**

Communication process involves sender, transmission of message through a selected channel, receiver and the feedback. The specific steps in communication process are described below :

(a) The Sender of the Message :

Communication begins with the sender, who has a thought or an idea which is then encoded in a way that can be understood by both the sender and the receiver. While it is usual to think of encoding a message into the English language, there are many other ways of encoding, such as translating the thought into computer language.

(b) Channel for Transmission of Message :

The information is transmitted over a channel that links the sender with the receiver. The message may be oral or written, and it may be transmitted through a memorandum, a computer, the telephone, the telegram or television. Television of course, also facilitates the transmission of gestures and visual clues. At all times two or more channels are used. In a telephonic conversation, for instance, two people may reach a basic agreement that they later confirm by a letter. Since many choices are available, each with advantages and disadvantages, the proper selection of the channel is vital for effective communication.

(c) The Receiver of the Message :

The receiver has to be ready for the message so that it can be decoded into the idea. A person thinking about an exciting cricket match may pay insufficient attention to what is being said about an inventory report, thus increasing the probability of a communication breakdown. The next process is the decoding, in which the receiver converts the message into thoughts. Accurate communication can occur only when both the sender and the receiver attach the same or atleast similar meanings to the symbols that compose the message. Thus, it is obvious that a message encoded into German requires a receiver who understands German. Less obvious, and frequently overlooked, is the fact that a message in

technical or professional jargons requires a recipient who understands such language. So communication is not complete unless it is understood. Understanding is in the mind of both the sender and the receiver. Persons with closed minds will normally not completely understand messages, especially if the information is contrary to their value system.

**Notes****(d) The Feedback :**

To ensure that the message has reached the intended receiver correctly, the communicator has to get feedback from the receiver about the message. Feedback ensures that the process of communication has intact taken place. The feedback provides learning opportunities to the sender and the receiver because it mirrors the consequences of the behaviour. In addition, if the behaviour has been found to be incongruous with the message it opens avenues to make corrections wherever necessary. Without feedback it would be difficult to ascertain whether communication has been received as indicated or not.

In organisational settings feedback is essential. Each employee needs to know where he stands vis-a-vis the organisational expectations, so that he can adjust his behaviour. Similarly, all organisations need some feedback from employees on their policies and practices in order to make improvements whenever necessary.

All organisations have mechanisms to seek and receive feedbacks because the overall viability depends to a large extent on the sharing of information. However, it is often noticed that the efforts of a management to plan and establish reliable and formalized systems of feedback are often defeated because of the widespread tendency of people to establish informal channels and also because of various sources of distortions. Since most of the feedback in organisations is work related, the system should be improved and made more effective.

The following observations are useful pointers :

To avoid unpleasantness some managers and supervisors provide only positive feedback. Whenever an employee does something commendable, a useful positive acknowledgement is made. Actually, both positive and

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negative feedback should be provided. It is equally necessary to tell the employee that he is not doing something correct.

Feedback should be focussed on the specific action rather than on the individual. Comments relating to behaviour are accepted more easily than those relating to an individual's personalities, attitudes, feelings, etc.

Feedback can be valuable if it refers to the description of behaviour. It makes sense to say 'improve your skills' or 'make fewer mistakes' to an erring employee rather, than 'your work is absolutely incorrect'.

Feedback which is provided 'here and now' is more meaningful than delayed feedback. If an employee has done something inappropriate it is necessary to tell him immediately rather than wait for an opportune moment. By then he might have forgotten the event.

Efficiency and satisfaction in an organisation can be improved by providing feedback as a way of sharing information rather than insisting on the right way of doing things. Sharing means that the employers and employees together study the problems, evaluate various alternatives, and choose the best. This conveys the message to the employee that his opinion is valued and he can contribute meaningfully in achieving organisational goals, Feedback plays an important role in the communication process. It requires skill and willingness on the part of the managers and entrepreneurs to involve employees in decisions and share the necessary information with them. As the organisation grow in size, people may not be able to keep in touch with each other and with the organisation's activities and plans. Hence, there is a constant need to evolve mechanisms to communicate with employees, so that they feel part of the organisation.

(e) Noise and Filters in Communication :

Unfortunately communication is affected by noise, which is anything- whether in the sender, the transmission, or the receiver- that hinders communication. Communication suffers from distortion, something intended, sometimes unconscious and it seldom reaches

the intended receiver in the form it originated. Distortion in communication takes place because of both environment and human factors.

In factory situation the roar of machines makes it difficult for both sender and receivers to transmit. They either shout or resort to some form of body communication rather than verbal. Gestures, use of various parts of the body, facial expression, etc, are some of the mechanisms that serve the purpose of communication in case of high environmental noise.

However, the most important are human factors. Assumptions, values, past experiences, stereotypes and predisposition influence both the transmission and reception of the messages. Thus the filters and messages passing through them get distorted.

6.6 BARRIERS & BREAKDOWNS IN COMMUNICATION

The managers frequently cite communication breakdowns as one of their most important problems. However, communication problems are often symptoms of more deeply rooted problems. For example, poor planning may be cause of uncertainty about the direction of the firm, Similarly, a poorly designed organisation structure may not clearly communicate organisational relationships. Vague performance standards may leave people uncertain about what is expected of them. Thus the perceptive manager will look for the causes of communication problems instead of just dealing with the symptoms. Barriers can exist in the sender, in the transmission of the message, in the receiver, or in the feedback. Specific communication barriers are discussed below :

- (i) **Lack of Planning:** Good communication seldom happens by chance. Too often people start talking and writing without first thinking, planning and stating the purpose of the message. Giving the reasons for a directive, selecting the most appropriate channel, and choosing proper timing can greatly improve understanding and reduce resistance to change.
- (ii) **Unclarified Assumptions:** Often overlooked, yet very important, are the uncommunicated assumptions that underlie messages. A customer may send a note stating that he will visit a vendor's plant. Then he may assume

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that the vendor will meet him at the airport, reserve a hotel room, arrange for transportation, and set up a full-scale review of the programme at the plant. But the vendor may assume that the customer is coming to town mainly to attend a wedding and will make a routine call at the plant. These unclarified assumptions in both instances may result in confusion and the loss of goodwill.

- (iii) **Poorly Expressed Message:** No matter how clear the idea in the mind of the sender of communication, it may still be marked by poorly chosen words, omissions, lack of coherence, poor organisation of ideas, awkward sentence structure, unnecessary jargons and a failure to clarify the implications of the message. This lack of clarity and precision, which can be costly, can be avoided through greater care in encoding the message.
- (iv) **Loss of Transmission and Poor Retention:** In a series of transmissions from one person to next, the message becomes less and less accurate. Poor retention of information is another serious problem. Thus the necessity of repeating the message and using more than one channel is rather obvious. The loss may also be due to long distance, distracting noises and similar interferences.
- (v) **Poor Listening and Premature Evaluation:** There are many talkers but few listeners. Everyone probably has observed people entering a discussion with comments that have no relation to the topic. One reason may be that these persons are pondering over their own problems - such as preserving their own egos or making a good impression on other group members instead of listening to the conversation. Listening demands full attention and self-discipline. It also requires that the listener avoid premature evaluation of what another person has to say. A common tendency is to judge to approve or disapprove what is being said- rather than trying to understand the speakers frame of reference. Yet listening without making hasty judgements can make the whole enterprise more effective and efficient. For example, sympathetic listening can result in better labour management relations and greater understanding among managers. Specially sales personnel may better understand the problems of production people, and the credit manager may realize that an over-restrict credit policy may lead to a

disproportionate loss in sales. In short, listening with empathy can reduce some of the daily frustrations in organised lies and result in better communication.

- (vi) Semantic Distortion:** Semantic is the science of the meaning of words and symbols. Another barrier to effective communication is semantic distortion, which can be deliberate or accidental. An advertisement that states 'we sell for less' is deliberately ambiguous; it raises the question - less than what? Words may evoke different responses. To some people the 'Government' may mean interference or deficit spending; to others, the same word may mean help, equalization, and justice.
- (vii) Distrust, Threat and Fear:** Distrust, threat and fear undermine communication. In a climate containing these factors, any message will be viewed with skepticism. Distrust can be the result of inconsistent behaviour by the superior, or it can be due to past experiences in which the subordinate was punished for honestly reporting unfavourable, but true, information to the boss. Similarly, in the light of threats - whether real or imagined - people tend to tighten up, become defensive, and distort information. What is needed is a climate of trust, which facilitates open and honest, communication. Other personal barriers may arise from the judgements, emotions and social values of people. They cause psychological distance between the people, which may prevent communication. Our emotions, for example, act as filters in nearly all our communications. We see or hear what we are emotionally tuned to see or hear. Thus communication can not be separated from the personality itself.
- (viii) Insufficient Period for adjustment to Change:** The purpose of communication is to effect change that may seriously concern employees: shifts in the time, place, type and order of work or shifts in group arrangements or skills to be used. Some communications point to the need for further training, career adjustment, or status arrangements. Change affects people in different ways, and it may take time to think through the full meaning of a message. Consequently, for maximum efficiency, it is important not to force change before people can adjust to its implications.

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(ix) Information Overload: One might think that more and unrestricted information flow would help people overcome communication problems. But unrestricted flow may result in too much information. People respond to information overload in various ways. First, they may disregard certain information. A person getting too much mail may ignore letters that should be answered. Second, if they are overwhelmed with too much information, people make errors in processing it. For example, they may leave out the word 'not' in a message, which reverses the intended meaning. Third, people may delay processing information either permanently or with the intention of catching up in the future. Fourth, people may filter information. Finally, people respond to information overload by simply escaping from the task of communication. Efforts should be made to reduce the information overload at each level.

6.7 IMPROVING COMMUNICATION

Although many problems make effective communication difficult the picture is not entirely bleak. As an entrepreneur/manager, you can improve your communication effectiveness. Whether communication is effective it can be evaluated by the intended results.

Guidelines for Improving Communication

Senders of the messages must clarify in their minds what they want to communicate. This means that the purpose of the message and making a plan to achieve the intended end. Clarity is very essential in any communication.

Effective communication requires that encoding and decoding be done with symbols that are familiar to the sender and the receiver of the message. Thus managers should avoid unnecessary jargons, which is intelligible to the experts in their particular field. Common problems in written communications are that writers omit the conclusion or bury it in the report, are too wordy, and use poor grammar, ineffective sentence structure and incorrect spellings. Yet a few guidelines may do much to improve written communication:

Writing style should fit the situation and the effect the writer wants to achieve. The forceful style should be used when the writer has power. The tone should be polite, but firm.

The planning of the communication should not be done in a vacuum. Instead, other people should be consulted and encouraged to participate to collect the facts, analyse the message, and select the appropriate media.

Make certain that your message is complete. If you do not supply all of the necessary information people make assumptions about the missing information. This can result in incorrect meaning.

Select the proper time to communicate. Messages received too early or too late decrease communication effectiveness. People are most receptive when there is a need for information. If information is received too late, it may be of no value.

Another aspect of timing concerns the volume of communication. At times we suffer from communication overload : we miss some of the information transmitted to us. You need to be careful not to add to communication overload, rather select a better time to communicate.

Encourage upward communication. Feedback is one of the most important steps in the communication process. Without feedback you cannot be certain the receiver has actually understood what you have communicated. Managers need to be particularly conscious of the importance of checking subordinates' reactions to communications. In face-to-face communication, direct feedback is possible.

Upward communication is necessary to get employees ideas, opinions, and suggestions. Such communication does not occur automatically; it must be encouraged. We need to develop good relationship with our employees, one that is characterised by openness and trust. Once this relationship is established, employees will feel more free to communicate, to respond to our communication, and to make suggestions on their own.

There is a saying that the tone makes the music. Similarly, in communication the tone of the voice, the choice of language,

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and the congruency between what is said and how it is said influence the reactions of the receiver of the message. An autocratic manager ordering subordinate supervisors to practice participative management will create a credibility gap that will be difficult to overcome. People believe in actions more than they do in words. Actions speak louder than words in the long run. The amount of difference between what one says and what one does is that person's communication credibility gap. When a person's credibility gap is large, poor human relations are likely to follow, such as losing confidence in that person.

The function of communication is more than transmitting information. It also deals with emotions that are very important in interpersonal relationships between superiors, subordinates and colleagues in an organisation. Furthermore, communication is vital for creating an environment in which people are motivated to work towards the goals of the enterprise while they achieve their personal aims.

6.8 SUMMARY

Communication is very important in every organization whether it profitable or non profitable organization. Effective communication is the responsibility not only of the sender but also of the receiver of the information. We need to be a good listener. We need to listen actively with both our ears and our eyes open, hearing what others are saying and understanding their non-verbal communication.

6.9 TERMINAL QUESTIONS

1. Distinguish between formal & informal communication.
2. Discuss the importance of communication in an organization.
3. Explain the communication process.

6.10 OBJECTIVE TYPE QUESTIONS

1. Find Odd man out
 - a. Upward communication

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- b. Down ward communication
- c. Horizontal Communication
- d. Vertical Communication

2. Choose the correct Option

Statement A: Formal Communication is the only way to improve the organization.

Statement B: Informal communication is also part of the communication system.

- a. both
- b. neither
- c. Statement A
- d. Statement B

3. Communication process

- a. involves sender
- b. transmission of message through a selected channel,
- c. receiver and the feedback
- d. All the above

4. Choose the correct Option

Statement A: Communication is always within the organization only.

Statement B: Communication is always within the organization as well as with the external agencies.

- a. both
- b. neither
- c. Statement B
- d. Statement A

5. Choose the best way of communication

- a. Verbal
- b. writing
- c. Email
- d. a& b

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6.10 ANSWERS TO INTEXT QUESTIONS

6.1

1. Three types of formal communication
 - i) Down ward
 - ii) Horizontal
 - iii) Upward
2. No organization can work without informal communication.

6.10 ANSWER TO OBJECTIVE TYPE QUESTIONS

1. d 2. d 3. d 4. c 5. d