

Lesson2

Business Communication and its scope for Management

Classification of Communication on the basis of the medium employed:

1. Verbal Communication- It means communicating with words, written or spoken. Verbal Communication consists of speaking, reading, writing, listening and thinking.
2. Non verbal Communication- It includes using of pictures, gestures, signs and facial expressions for exchanging information. It is done through sign language (gestures), action language (movements) and object language (pictures/clothes)
3. Formal Communication- A formal channel of communication can be defined as a means of communication that is formally controlled by managers or people occupying positions in an organization. The communication flows through formal channels, that is, officially recognized positions along the line in the organization. This ensures that the information flows timely and accurately. Any information, decision, memo, reminder etc. will follow this path.
4. Informal Communication- Along with the formal communication, every communication has an equally effective channel of communication that is the informal channel. It is not officially sanctioned, and quite often it is discouraged or looked down upon. But it is very much there and is called 'grapevine' precisely because it runs in all directions- horizontal, vertical, diagonal. As the management experts put it, "it flows around water coolers, down hallways, through lunchrooms and wherever people get together in groups."
5. Downward Communication- The communication that flows from top to bottom is called Downward Communication. Any organization has an inbuilt hierarchical system, and in that, in the first instance, communication invariably flows downwards.
6. Upward Communication- The communication that flows from bottom to top is called Upward Communication. The main function of upward communication is to supply information to the upper levels about what is happening at the lower levels. It is just the reverse of the previous dimension.
7. Lateral Communication- When communication takes place between two or more persons who are subordinates working under the same person or those who are working on the same level, it is called lateral or horizontal communication. A good example of this kind of communication is that among sales managers.

8. Diagonal Communication- Diagonal or Crosswise Communication includes flow of information among people at different levels who have no direct reporting relationships. As an example, the communication between the Training Supervisor and the Marketing Manager, regarding the Training of a few employees of the Marketing Department, is Diagonal Communication. This kind of Communication is used to speed up information flow, to improve understanding and to coordinate efforts in order to achieve organizational objectives.

The objectives of Business Communication

1. To inform- This is the foremost objective of communication. Information is power. The information needs within and outside the organization can be met through communication.
2. To persuade- Businesses work through persuasion. It is important to persuade employees to work efficiently, to persuade customers to buy our products and so on.
3. To educate- To disseminate knowledge and develop skills and attitudes among people working in the organization may be another objective of communication.
4. To train- Communication is an integral part of any training program. Training is required to achieve proficiency in specific skills.
5. To motivate- High level of morale and motivation are necessary to ensure productivity and efficiency on a sustainable basis. Communication provides a means to keep motivation levels high.
6. To integrate- Large business organizations have different business units, departments and territorial divisions, pursuing different targets. Communication provides the means for an integrated approach in pursuing organizational goals.
7. To relate- Good business relations are a must for the continued success of any business organization. Communication provides the means for building and nurturing mutually beneficial relationships.
8. To entertain- Communication facilitates social bonding and brings lighter moments that help in relieving tension.

Lastly, it may be noted that we also use communication to caution, counsel, clarify, apprise, evaluate, appreciate or reprimand.

Importance and Functions of Communication

The world is changing fast and with it every organization is becoming more and more sophisticated. Communication is an integral part of process change.

The functions of communication:

1. Information Sharing
2. Feedback
3. Influence
4. Problem –solving
5. Facilitating Change
6. Building Relationships
7. Conveying the right message
8. Good Industrial Relations
9. Ensuring effectiveness of Policies
10. Motivating People
11. Performance Feedback
12. Job Instruction
13. Controlling People
14. Emotive Function

Organizational Communication

Communication is the passing of information and understanding from one person to another at the same levels or at different levels. It is the process by which the management reaches others in managing its work. Since managers work through others, all of their managerial functions pass through the bottleneck of communication. The effectiveness of management largely depends on the effectiveness of communication. Communication gives life to the organization.

The roles of communication become more critical as the organization grows in its size, complexity and sophistication. So the system should be adjusted according to the needs of the organization from time to time.

Communication is the nervous system of an organization. It keeps the employees informed about the internal and external happenings relevant to a task and of interest to an organization. It co-ordinates the efforts of employees in achieving organizational objectives. Without communication, an organization is lifeless and its very existence is in danger.

Broadly, all business communication can be divided into five types of information:

- **Statutory Information**-The information, such as, terms and conditions of service, is to be communicated to all employees as a statutory requirement.
- **Regular work-situation**- The information regarding normal work situation has to be regularly.
- **Major policy or operational change information**- Any major change in the organization policy or work, which is going to affect everyone or a large number of employees, has to be communicated to all by calling special meetings or by issuing notices to all.
- **Information Bulletin**-To keep people informed about events and happenings taking place in the organization, periodic information in the form of a newsletter is communicated to all employees of the company.

Importance of Communication in Management

Communication Skills constitute an important aspect of effective management. Managing is a complex process.

First, the management fixes its objectives- what to do and form its policy on how to do it. Then there has to be a system through which the production and distribution processes can be guided, coordinated and controlled.

Managing is a unified, organized and cooperative system committed to the achievement of common goals. A manager needs to have communication skills of a high order to structure the information according to the nature and purpose of communication.

For training and development programmes, communication also plays a vital role. For appraising employees, the performance standard also needs to be properly and clearly communicated so that employees understand what they need to do and subsequently also need feedback about their performance.

Communication is also essential for explaining disciplinary rules and procedures and their proper implementation. It is also required for fostering effective participative and collaborative work culture in the organization. Problems, suggestions, opinions and recommendations of employees are transmitted through communication in an organization.

Some important functions of managing

- Forecasting and Planning- Each function depends on effective communication for its success. For example, if the management fails to communicate its objectives, policies, programmes, procedures and budgetary provisions to the concerned people at the proper time, an organization would fail to run in an organized and targeted manner.
- Organizing- Organizing, as a management function, determines the formal and informal relationships within the organization and outside it. These relationships are developed and maintained through inter-personal communication.
- Instructing- The function of instructing entirely depends upon interpersonal exchange of information regarding products, processes and targets for its success.
- Coordinating- Coordinating, as a manager's function is, perhaps, the most demanding of all functions. It requires excellent communication skills to ensure that all efforts are directed towards achieving a single organizational goal. To see that diverse activities are unified into single whole, the manager should be able to relate to all people formally and socially.
- Controlling- Finally, for controlling, the manager should have competence to receive information and respond quickly.

Why managers need communication skills

To a large extent, the success of an organization depends upon the atmosphere in which there is a free flow of information upward, downward and horizontal. At the workplace, we primarily think of getting things done. For this, instructions and guidelines, supervision and monitoring and periodic reporting are usually, considered enough. But, if we wish to achieve more than the set task, a real involvement of all the employees from the highest level to the lowest level is to be secured by allowing every worker/employee to suggest /offer ideas and views.

Managers need communication skills to perform the following interrelated roles:

- Interpersonal role- If interpersonal communication is effective, internal systems run smoothly. It ensures proper relationships within the organization and with clients, suppliers and others.
- Informational role-If the internal information system is effective, systems such as stock control, personnel functions, financial systems and quality control function smoothly. Proper maintenance of product and service standards can be ensured through timely monitoring and instructing.
- Decisional role- Decision making is based upon receiving and interpreting all necessary and relevant information. Managers need to receive relevant information accurately to act fairly and rationally.