



Param Pujya Dr. Babasaheb Ambedkar Smarak Samiti's

Dr. Ambedkar Institute of Management Studies & Research

Deeksha Bhoomi, Nagpur - 440010 (Maharashtra State) INDIA

NAAC Accredited with 'A' Grade

Tel: +91 712 6521204, 6521203, 6501379

Email: info@daimsr.in

Business Communication and Information System

For Internal Circulation and Academic
Purpose Only

Programme Educational Objectives

Our program will create graduates who:

- 1. Will be recognized as a creative and an enterprising team leader.*
- 2. Will be a flexible, adaptable and an ethical individual.*
- 3. Will have a holistic approach to problem solving in the dynamic business environment.*

Medium use to express-

- Views
- Thoughts
- Feelings
- Emotions
- Opinions etc.

How-

- Verbal Communication
- Nonverbal Communication
- Signs
- Symbols etc.



Definitions

- Communication is the process of transmitting information and understanding from one person to another or from one unit to other unit with a view to getting the desired response from the receiver.
- The transmission of information within the business environment. The information may be transmitted – sent and received – between or among individuals.

Harcourt, Krizan, Merrier

Business Communication

- Business communication is the process of establishing common understanding between or among people within a business environment



Nature of Communication:

1. **Two-way process:** Communication is a two-way process of understanding between two or more persons – sender and receiver.
2. **Continuous process:** Exchange of ideas and opinion amongst people is an ongoing process in business and non-business organisations. Continuous interaction promotes understanding and exchange of information relevant for decision-making.

3. Dynamic process:

Communication between sender and receiver takes different forms and medium depending upon their moods and behaviour. It is, thus, a dynamic process that keeps changing in different situations.

4. Pervasive:

Communication is a pervasive activity. It takes place at all levels (top, middle, low) in all functional areas (production, finance, personnel, sales) of a business organisation.

5. Two people:

A minimum of two persons — sender and receiver — must be present for communication to take place. It may be between superiors, subordinates and peer group, intra or internal.

6. Exchange:

Communication involves exchange of ideas and opinions. People interact and develop understanding for each other.

7. Means of unifying organisational activities:

Communication unifies internal organisational environment with its external environment. It also integrates the human and physical resources and converts them into organisational output.

8. Verbal and non-verbal:

Though words are active carriers of information, gestures can sometimes be more powerful than words. Facial expressions, sounds, signs and symbols are the non-verbal forms of communication.

9. Mutual understanding:

Communication is effective when sender and receiver develop mutual understanding of the subject. Messages conveyed should be understood by the receiver in the desired sense.

10. Goal-oriented:

Communication is goal-oriented. Unless the receiver and sender know the purpose they intend to achieve through communication, it has little practical utility.

11. Foundation of management:

Though communication is a directing function, it is important for other managerial functions also. Designing plans and organisation structures, motivating people to accomplish goals and controlling organisational activities; all require communication amongst managers at various levels.

12. A means, not an end:

Communication is not an end. Effective communication is a means towards achieving the end, that is, goal accomplishment. It smoothens managerial operations by facilitating planning, organising, staffing, directing and controlling functions.

13. Human activity:

Since communication makes accomplishment of organisational goals possible, it is essential that people understand and like each other. If people do not understand each others' viewpoint, there cannot be effective communication.

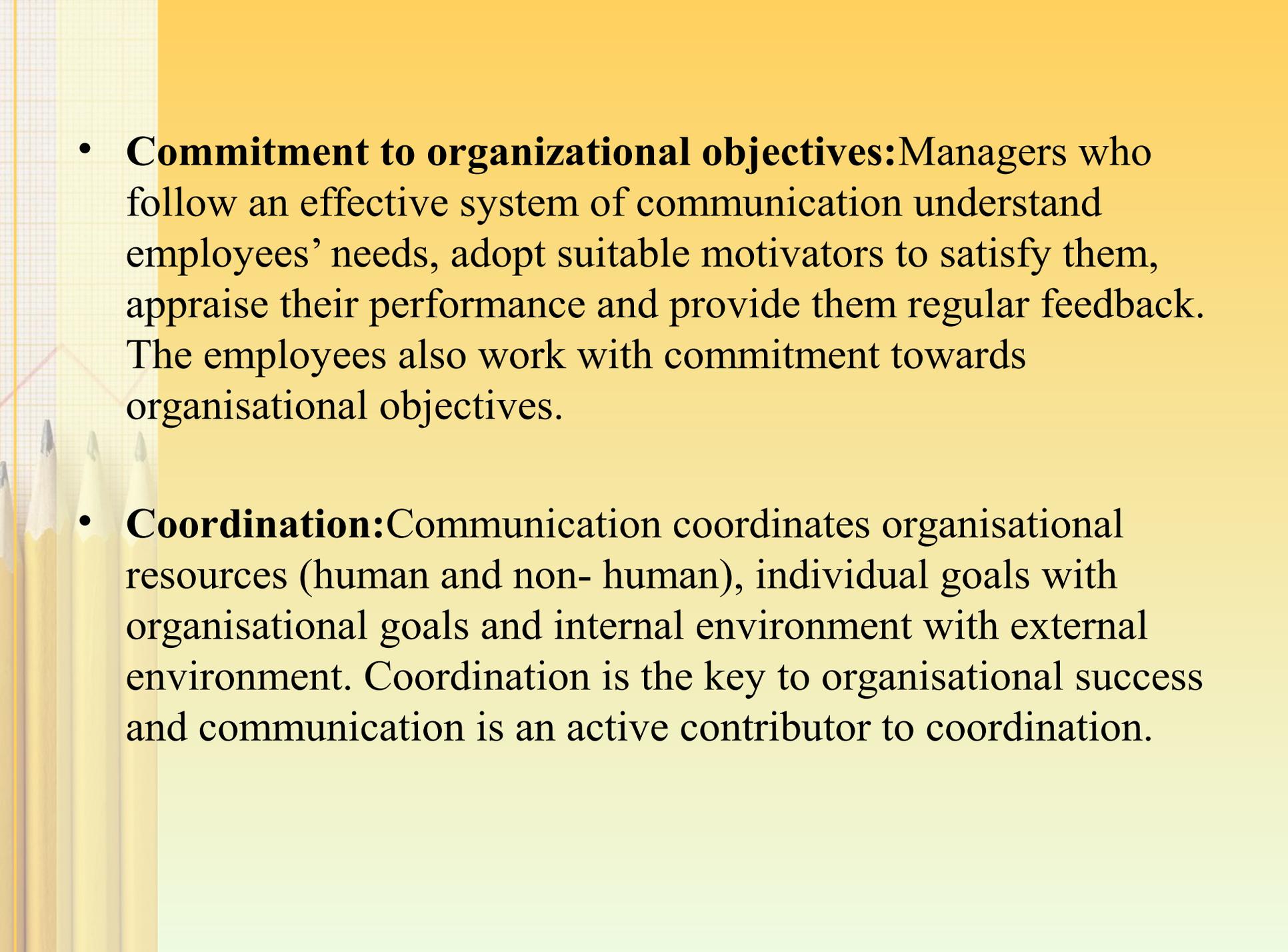
14. Inter-disciplinary:

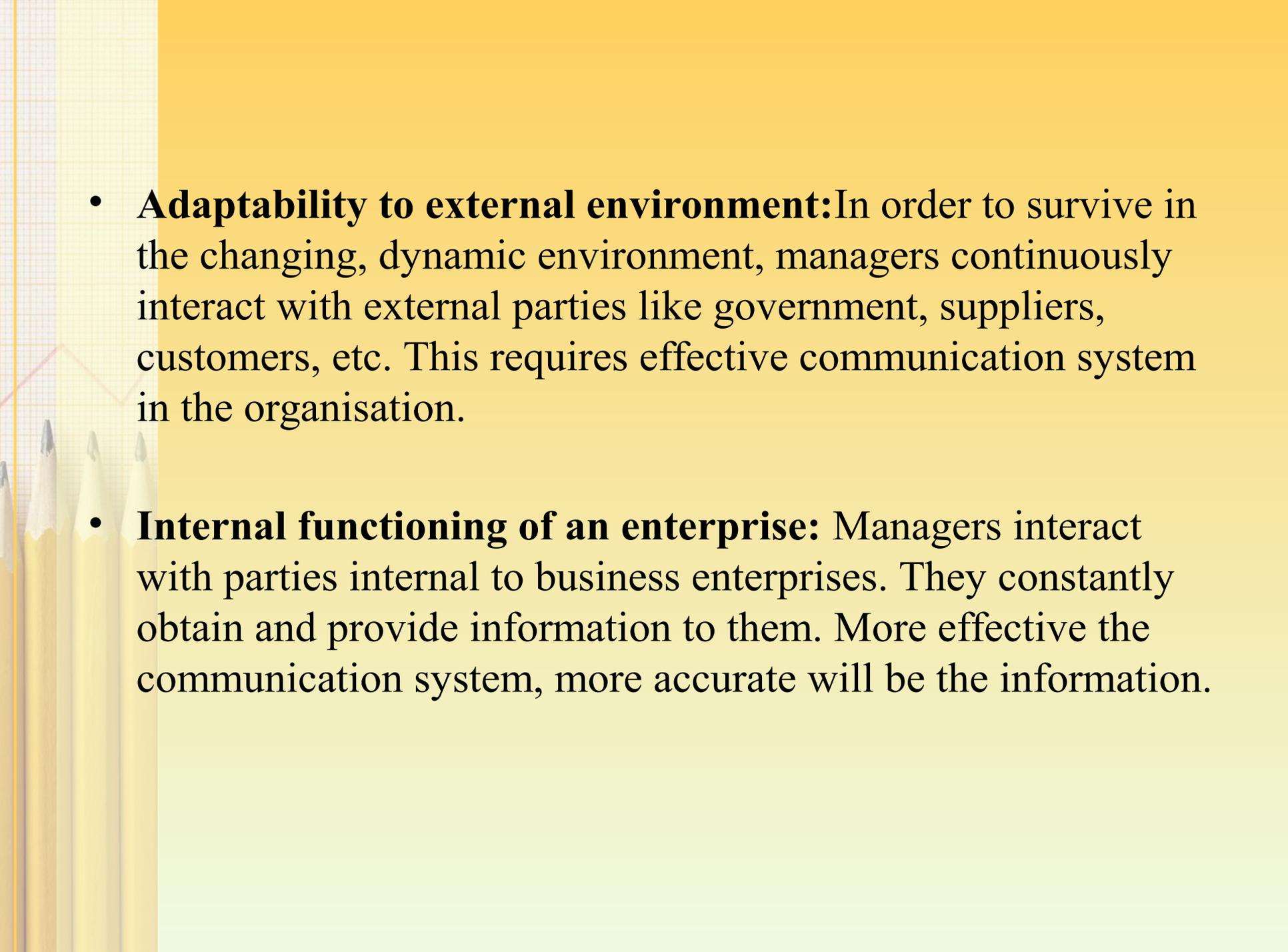
Communication is the art of how communicators use knowledge of different fields of study like anthropology, psychology and sociology. Making best use of these disciplines makes communication effective. It is, thus, an inter-disciplinary area of management.

IMPORTANCE

Importance of communication:

- **Basis for planning:** Planning is the basic function of management. If plans are well designed and communicated for their implementation, it leads to organisational success.
- **Motivation to work:** Communication helps managers know needs of their employees so that they can adopt suitable motivators and inspire them to develop positive attitude towards the work environment.
- **Job satisfaction:** Exchange of information develops trust, confidence and faith amongst managers and subordinates.

- 
- **Commitment to organizational objectives:** Managers who follow an effective system of communication understand employees' needs, adopt suitable motivators to satisfy them, appraise their performance and provide them regular feedback. The employees also work with commitment towards organisational objectives.
 - **Coordination:** Communication coordinates organisational resources (human and non-human), individual goals with organisational goals and internal environment with external environment. Coordination is the key to organisational success and communication is an active contributor to coordination.

- 
- **Adaptability to external environment:** In order to survive in the changing, dynamic environment, managers continuously interact with external parties like government, suppliers, customers, etc. This requires effective communication system in the organisation.
 - **Internal functioning of an enterprise:** Managers interact with parties internal to business enterprises. They constantly obtain and provide information to them. More effective the communication system, more accurate will be the information.

- **Healthy industrial relations:** Satisfied workers contribute to healthy organisations. Communication brings managers and trade unions closer, develops mutual understanding and promotes industrial peace and harmony. This increases industrial production.
- **Helps in performing managerial roles:** According to Henry Mintzberg, managers perform three major roles – interpersonal, informational and decisional. Communication helps managers in performing these roles effectively.

- **Facilitates leadership:** Effective leaders interact with followers, guide and inspire them to perform the individual and organisational goals. Effective communication process facilitates leaders to carry out the leadership functions.
- **Facilitates control:** Planning is effective if accompanied by an effective control system. Control is possible when managers assess subordinates' performance, correct and prevent deviations and provide them regular feedback of performance. Control function largely depends upon communication system of the organisation.

- **Training and development:**

Imparting training and development facilities to employees depends upon how well their superiors communicate with them. Trainers with good communication skills are better than those who have poor communication skills.

- **Substance to organisational existence:**

Obtaining information to make plans, making members aware of authority-responsibility structure, position in the organisational hierarchy, coordinating their activities is the essence of organisational survival and growth. This is possible through effective communication.

Goals of business communication

- Receiver understanding
- Receiver response
- Favorable relationship
- Organizational goodwill



Receiver understanding

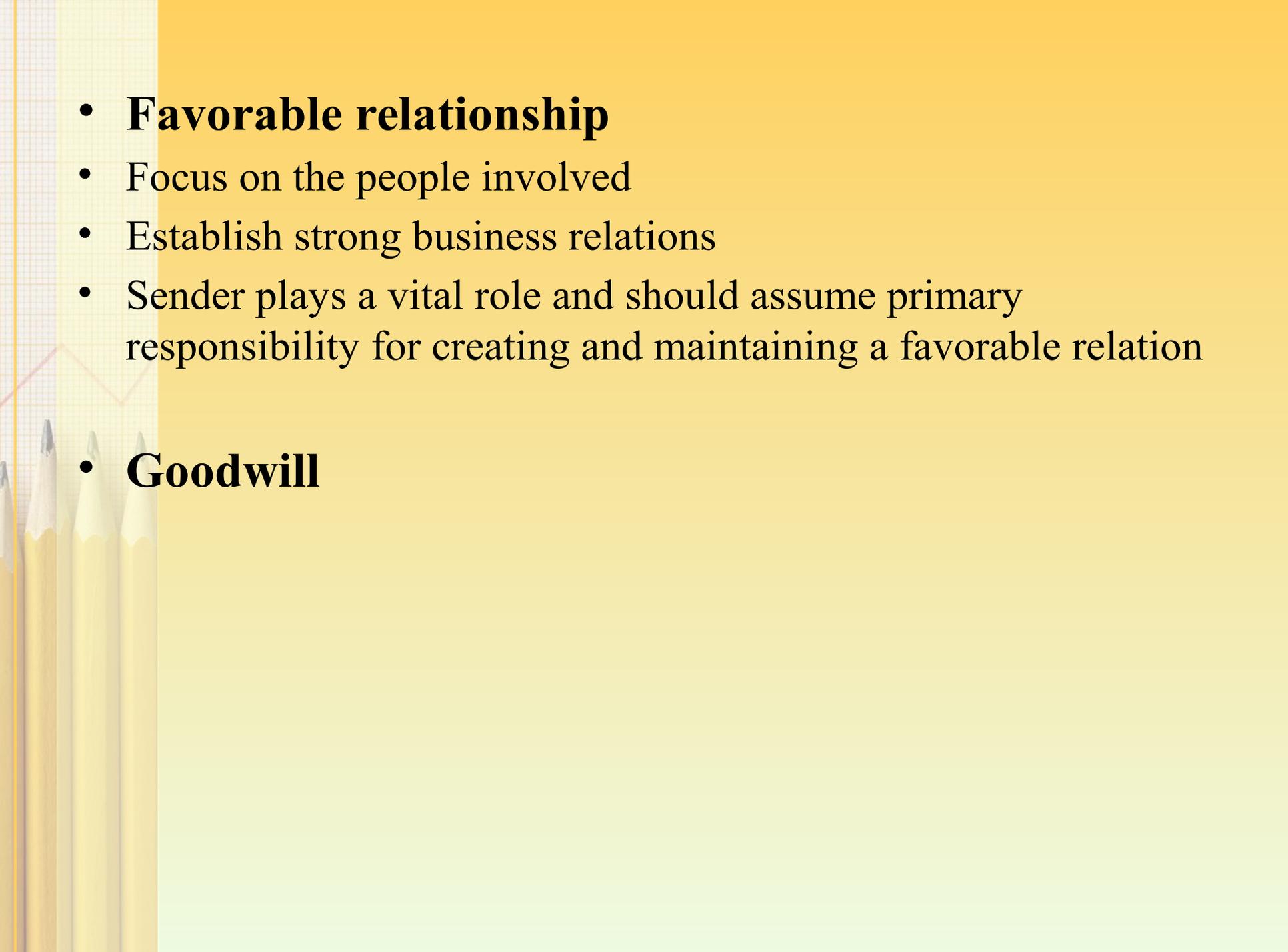
- The message must be so clear that the receiver understands it as the sender means it to be understood.
- Ex. A supervisor sends an email to a subordinate saying “**No one plans for meeting like you do.**” Should the subordinate react with pleasure or disappointment?
- Ex. **Join me for lunch today?**
- Sender must consider, receiver's characteristics, message form and content, receiver's feedback, communication barriers

Receiver Response

Receiver response may be positive, negative, neutral.

It may convey through words, actions or both.

- Ex. If the chair of committee distributes a memo announcing the time and date of meeting, those who receive the memo may act in four ways
 1. Notify chair that they will attend
 2. Notify chair that they will be unable to attend
 3. Attend without notifying
 4. Miss the meeting without providing advance notice.

- 
- **Favorable relationship**
 - Focus on the people involved
 - Establish strong business relations
 - Sender plays a vital role and should assume primary responsibility for creating and maintaining a favorable relation
 - **Goodwill**

Internal Communication



**The more effectively you communicate with your teammates
the greater sense of achievement you can have at work**

Internal Communication In Business

- Internal Communication-Day to day exchange of information among the employees.
 - Performance objectives
 - Job instructions
 - Financial data
 - Customer orders
 - Inventory data
 - Production problems and solutions
 - Production reports
- Helps in long range planning and decision making

Internal communications

Internal communications in a business include:

- communication within a **functional area**
 - for example, two members of a Human Resources team chatting to each other.
- communication between functional areas
 - for example, the Finance department of a company instructing the Marketing team on how much to spend on a campaign.

External Communication In Business

- External communication builds goodwill, brings in orders and contributes to continued existence and growth of the business.
 - Sales calls
 - Product advertisement
 - News release
 - Employment notice
 - Bank transactions
 - Reports to Govt. agencies
- External communication has long impact which include new product announcement, plant expansion, contribution to community activities and annual reports.

External communications

External communications in a business involve:

- contact with suppliers, customers or shareholders
- contact with other businesses or organizations.

A shop assistant advising a customer, a company receiving an invoice for stock they've purchased and a billboard advertisement for a product are all ways in which businesses engage in external communications.



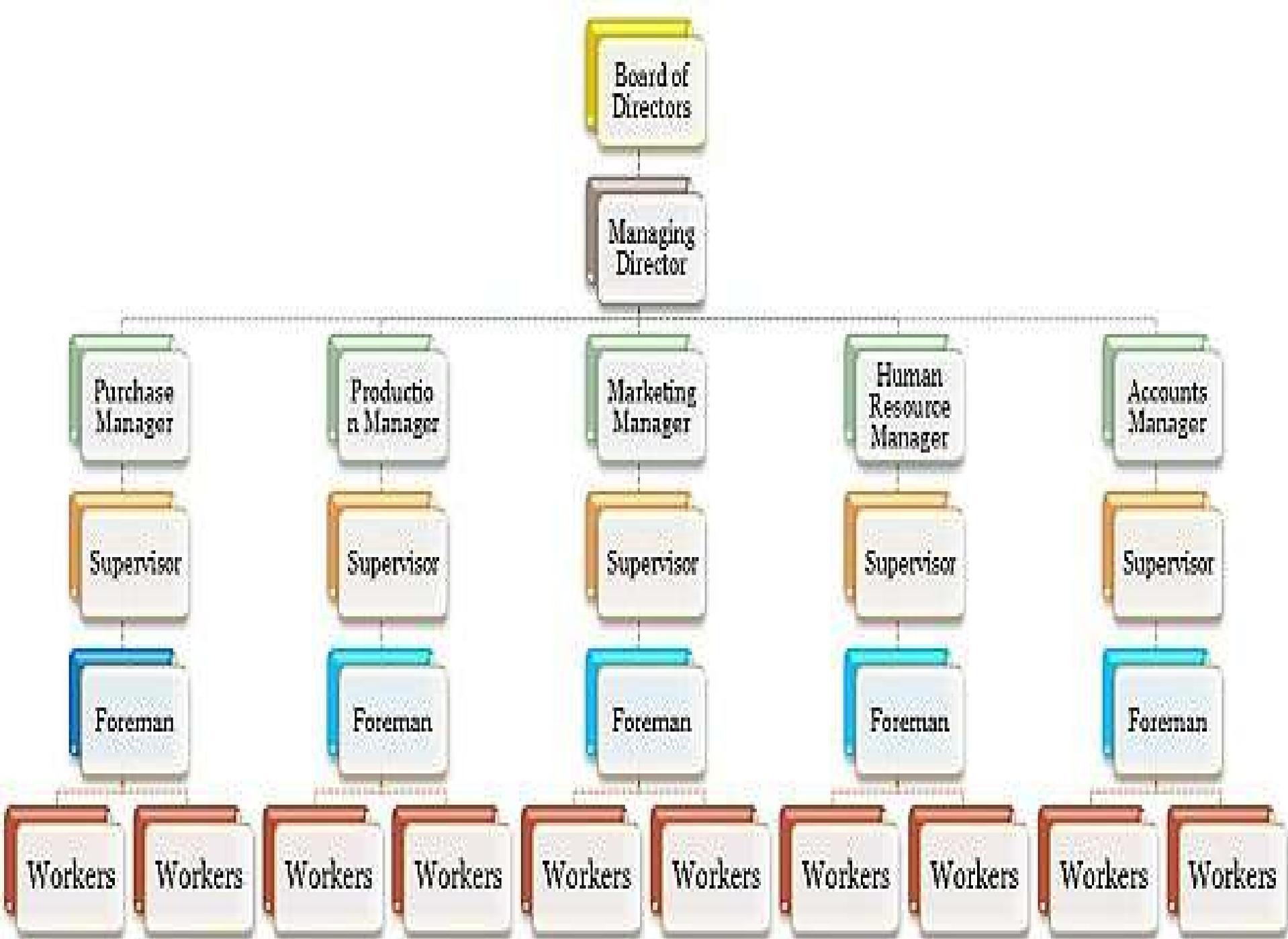
Communication Channels

- In an organization, information flows forward, backwards and sideways. This flow of information is called communication. Communication channels refer to the way this information flows within the organization.



Formal Communication

- Communication takes place through the formal channels of the organization structure along the lines of authority established by the management.
- Such communications are generally in writing and may take any of the forms; policy; manuals: procedures and rule books; memoranda; official meetings; reports, etc.



Upward Communication

- **Upward Communication**

Upward communication is the flow of information from subordinates to superiors, or from employees to management.

- Upward Communication is a mean for the staff to:

1. Exchange information
2. Offer ideas
3. Express enthusiasm
4. Achieve job satisfaction
5. Provide feedback

MANAGING DIRECTOR



GENERAL MANAGER



SECTIONAL MANAGERS



SUPERVISORS



STAFF AND WORKERS

Advantages of upward communication:

- It is a part of a two-way process which promotes better understanding between management and employees.
- Upward communication develops ‘employer-employee’ relations.

Disadvantages of upward communication:

- Only agreeable information is communicated upwards.
- Upwards communication tends to travel slowly as it is diluted or edited at each level before it is sent.

Downward Communication

- Information flowing from the top of the organizational management hierarchy and telling people in the organization what is important (mission) and what is valued (policies).
- For example, instructions on how to complete a task.
 - Transmit vital information
 - Give instructions
 - Encourage 2-way discussion
 - Announce decisions
 - Seek cooperation
 - Provide motivation
 - Boost morale
 - Increase efficiency
 - Obtain feedback
 - Both Downward & Upward Communications are collectively called “Vertical Communication”

Advantages of downward communication:

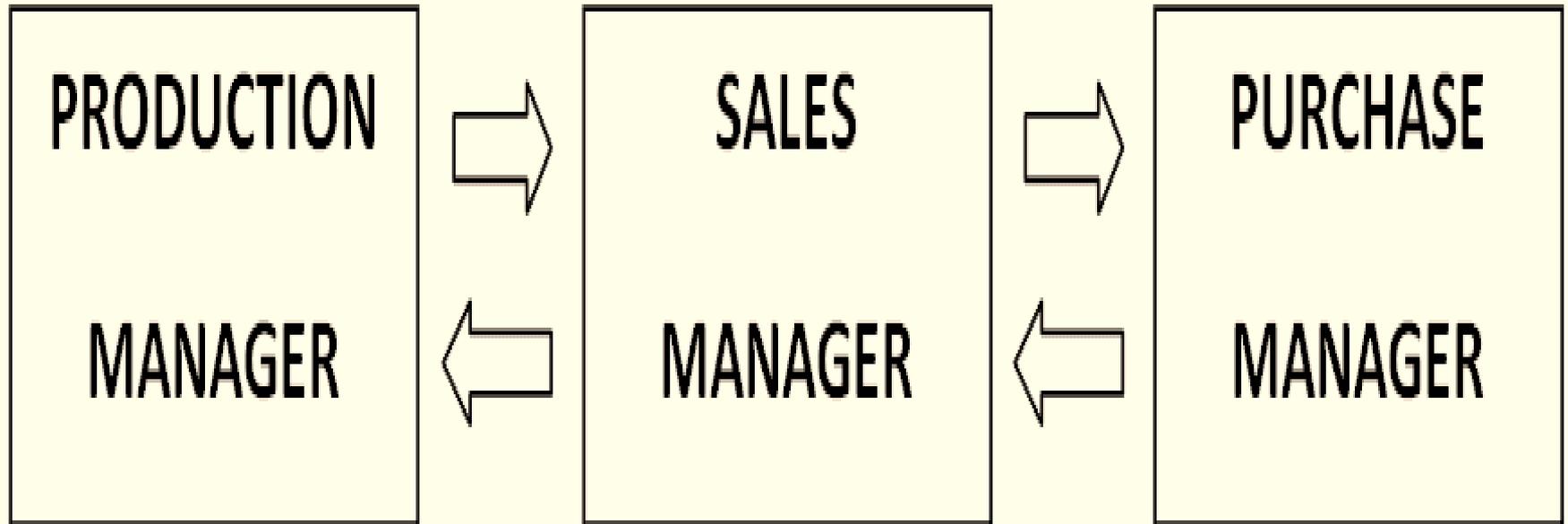
- It helps to maintain discipline within an organisation. Since the levels of authority are determined and clear-cut, each person knows that he is accountable to his immediate senior.
- The seniors also know exactly the amount of authority they wield, and so they are confident while issuing instructions and orders to juniors.

Disadvantages of downward communication:

- In downward communication the lines of communication are often too long.
- Message gets distorted sometimes.
- Some information is confidential and cannot be communicated downwards.

Horizontal Communication

- Horizontal communication normally involves coordinating information, and allows people with the same or similar rank in an organization to cooperate or collaborate. Communication among employees at the same level is crucial for the accomplishment of the assigned work.
- Horizontal Communication is essential for:
 - a. Solving problems
 - b. Accomplishing tasks
 - c. Improving teamwork
 - d. Building goodwill
 - e. Boosting efficiency



HORIZONTAL COMMUNICATION

Advantages of horizontal communication:

- Horizontal communication improves the quality of team work.
- Since horizontal communication means better coordination of individual effort, it ensures greater efficiency and better results.
- Effective horizontal communication helps to eliminate misunderstanding, envy, and petty jealousies among people of equal status.

Disadvantages of horizontal communication:

- There may be a conflict between horizontal and vertical communication. Horizontal communication takes place more frequently than communication between seniors and juniors. So, a decision taken horizontally may go against some instructions given by senior.
- At higher managerial levels horizontal communication becomes difficult when people engaged in specialised jobs use technical languages (Jargons).
- Unless horizontal communication is tightly controlled and each person is made actually aware of his responsibilities, a great deal of time may be wasted

Diagonal Communication

- Cross-functional or diagonal communication is communication between employees at different levels of the organizational hierarchy is described as diagonal communication. Diagonal communication is increasingly common in larger organizations with matrix or project-based structures.

Diagonal Communication



Informal Communication

- In informal communication are shorter and simpler.
- Speaking without preparation, as in a conversation (in real life or over the phone).
- It is easy to convey messages.
- Advantages of oral communication are speed and feedback.



Verbal Communication

- Verbal communication is a type of communication where the information flows through verbal medium like words, speeches, presentations etc.
- In verbal communication the sender shares his/her thoughts in the form of words in business take place over the phone or in person. The medium of the Message is *oral*.

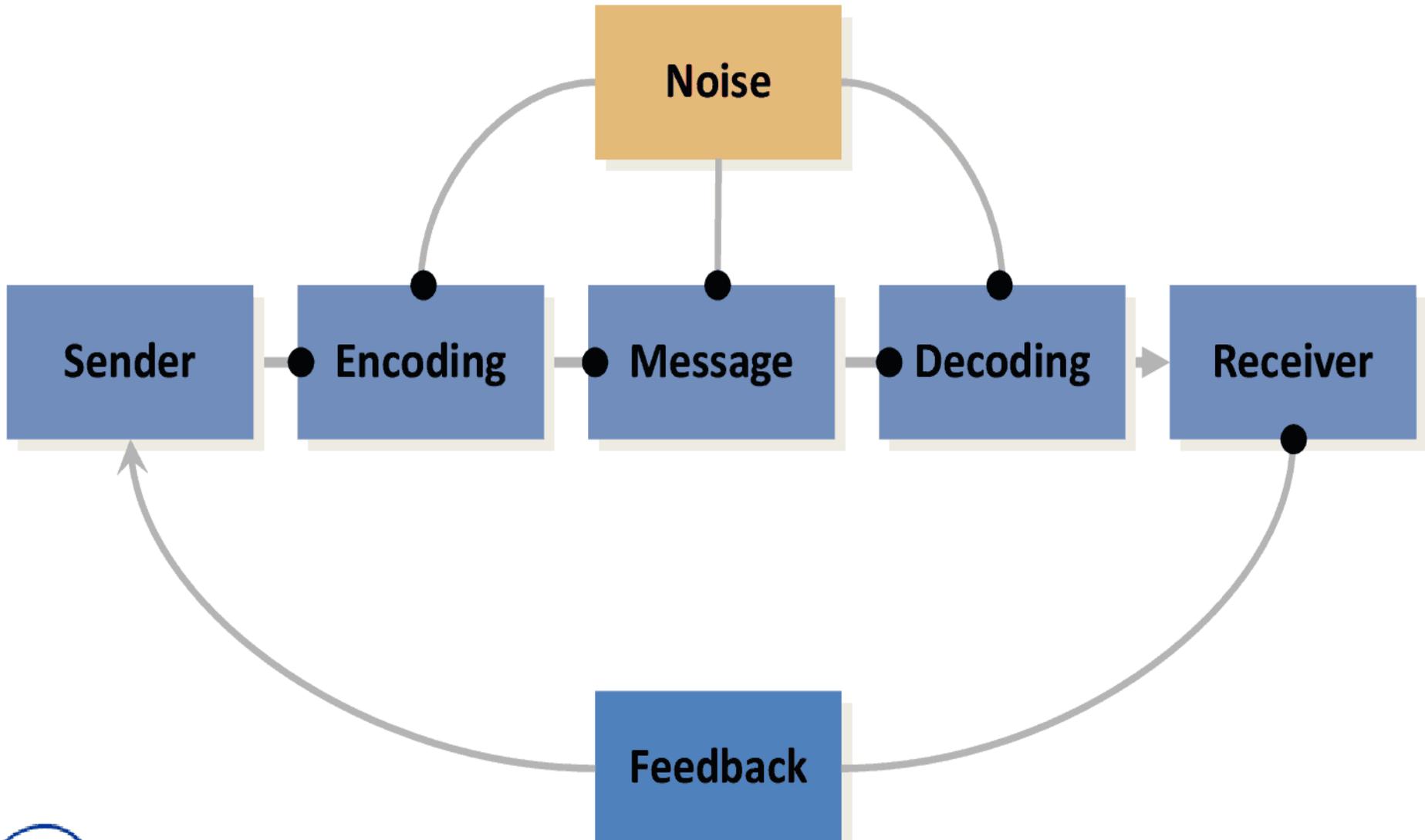


The 3 basic elements of communication are :-

- The Sender
- The Message
- The Receiver.

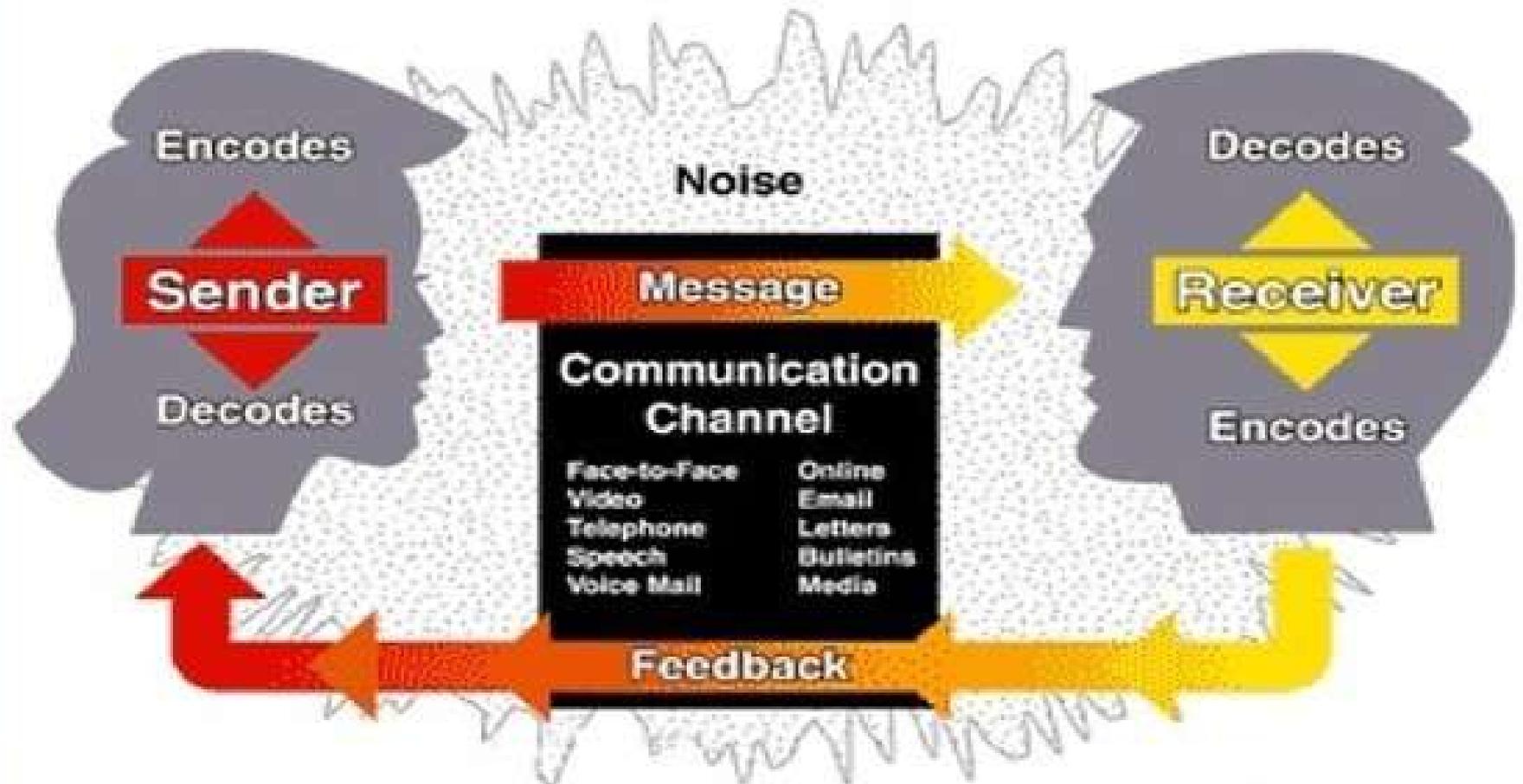


Process of Communication



Basic Model Of Communication

The Communication Cycle



Channels of Communication

Information Channel	Information Richness
<ul style="list-style-type: none">• Face-to-face conversation	<ul style="list-style-type: none">• High
<ul style="list-style-type: none">• Videoconferencing	<ul style="list-style-type: none">• High
<ul style="list-style-type: none">• Telephone conversation	<ul style="list-style-type: none">• High
<ul style="list-style-type: none">• E-mails	<ul style="list-style-type: none">• Medium
<ul style="list-style-type: none">• Handheld devices	<ul style="list-style-type: none">• Medium
<ul style="list-style-type: none">• Blogs	<ul style="list-style-type: none">• Medium
<ul style="list-style-type: none">• Written letters and memos	<ul style="list-style-type: none">• Medium
<ul style="list-style-type: none">• Formal written documents	<ul style="list-style-type: none">• Low
<ul style="list-style-type: none">• Spreadsheets	<ul style="list-style-type: none">• Low

TYPES OF COMMUNICATION

BASED ON
COMMUNICATION
CHANNELS

BASED ON
STYLE AND
PURPOSE

NON-VERBAL

VERBAL

FORMAL

INFORMAL

ORAL

FACE TO FACE

DISTANCE

WRITTEN

- Reference
- Raman Meenakshi, Singh Prakash, Business Communication, Oxford University Press, 2006
- Roy W. Poe, Rosemary T. Fruehling Business Communication- Fifth edition, paradigm Publication Inc.
- Williams, Krizan, Logan, Merrier, Communication In Business; Cengage learning.