Two-way process of reaching mutual understanding, in which participants not only exchange, information, news, ideas and feelings but also create and share meaning.

In general, communication is a means of connecting people or place. In business, it is a key function of management—an organization cannot operate without communication between, departments and employees.

Communication is conveying of information from one person to another. It is an exchange of ideas, facts, opinions, emotions, etc. between two or more persons. It is the most important function of management.

Communication derives from the latin word Communis which means Common.

Communication may be defined as interchange of thoughts, ideas and information to bring about mutual understanding.

"To effectively communicate, we must realize that we are all different in the way we perceive the world and use this understanding as a guide to our communication with others."

Communication is the sum of all the things a person does when he wants to create understanding in the mind of others.

**Features of Communication**

**Two or more persons:** Communication can take place only when there are at least two persons, a sender and a receiver. Sender or a communicator is the person who speaks, writes or make a gesture. Receiver or a communicatee is the person who listens, reads or observes.

**Two way process:** It is a two way process. It involves both sending the message and receiving the response to that message. It is not complete unless the receiver understood the message. Understanding and feedback is the end result of the communication.

**Co-operative process:** It is a co-operative process involving the participation of at least two persons. If a speaker only communicates and everything then it is a Monologue.

**Continuous Process:** It is a continuous process. It is required by superiors, subordinates and fellow members on a continuous basis to keep operations smoothly. A regular interaction between the organization and Outsiders is necessary. Therefore, communication is not a one- time activity but an on-going process.
**Elements of Communication process**

Communication is a process of exchanging verbal and non-verbal messages. It is a continuous process. Pre-requisite of communication is a message. This message must be conveyed through some medium to the recipient. It is essential that this message must be understood by the recipient in same terms as intended by the sender. He must respond within a time frame. Thus, communication is a two way process and is incomplete without a feedback from the recipient to the sender on how well the message is understood by him.

**Pervasive Function:** It is regarded as pervasive function because it is required at all levels of management (Top, Middle and Lower) and in all departments of an organization.

**Flow in all Direction:** Communication flows downward from superior to his subordinates. It flows upward from subordinate to a superior. It may flow horizontally between persons occupying similar rank in different department. It may flow diagonally between persons at different levels in different departments.

**Establishing interpersonal relations:** Interpersonal relations are created by a regular interaction with subordinates on several aspects of work. By sharing feelings and exchanging information with subordinates, they are made loyal, sincere and faithful to their superiors and organization.

**Several Media:** Communication includes all means which are used to convey meaning from one person to another. It take place not only through spoken or written words but wave of hands, wink of an eye, movements of lips, charts, symbols etc. are also used to convey message.
The main components of communication process are as follows:

**Context**
Communication is affected by the context in which it takes place. This context may be physical, social, chronological or cultural. Every communication proceeds with context. The sender chooses the message to communicate within a context.

**Sender / Encoder**
Sender / Encoder is a person who sends the message. A sender makes use of symbols (words or graphic or visual aids) to convey the message and produce the required response. For instance - a training manager conducting training for new batch of employees. Sender may be an individual or a group or an organization. The views, background, approach, skills, competencies, and knowledge of the sender have a great impact on the message. The verbal and non-verbal symbols chosen are essential in ascertaining interpretation of the message by the recipient in the same terms as intended by the sender.

**Message**
Message is a key idea that the sender wants to communicate. It is a sign that elicits the response of recipient. Communication process begins with deciding about the message to be conveyed. It must be ensured that the main objective of the message is clear.

**Medium**
Medium is a means used to exchange / transmit the message. The sender must choose an appropriate medium for transmitting the message else the message might not be conveyed to the desired recipients. The choice of appropriate medium of communication is essential for making the message effective and correctly interpreted by the recipient. This choice of communication medium varies depending upon the features of communication. For instance - Written medium is chosen when a message has to be conveyed to a small group of people, while an oral medium is chosen when spontaneous feedback is required from the recipient as misunderstandings are cleared then and there.

**Recipient / Decoder**
Recipient / Decoder is a person for whom the message is intended / aimed / targeted. The degree to which the decoder understands the message is dependent upon various factors such as knowledge of recipient, their responsiveness to the message, and the reliance of encoder on decoder.

**Feedback**
Feedback is the main component of communication process as it permits the sender to analyze the efficacy of the message. It helps the sender in confirming the correct interpretation of message by the decoder. Feedback may be verbal (through words) or non-verbal (in form of smiles, sighs, etc.). It may take written form also in form of memos, reports, etc.

Relevance of Communication for Commercial Organization:

It is not possible to have human relations without communication. However, good and effective communication is required not only for good human relations but also for good and successful business.

Effective communication is required at various levels and for various aspects in an organization such as -
For manager – employee relations:
Effective communication of information and decision is an essential component for management-employee relations. The manager cannot get the work done from employees unless they are communicated effectively of what he wants to be done? He should also be sure of some basic facts such as how to communicate and what results can be expected from that communication. Most of management problems arise because of lack of effective communication. Chances of misunderstanding and misrepresentation can be minimized with proper communication system.

For motivation and employee morale:
Communication is also a basic tool for motivation, which can improve morale of the employees in an organization. Inappropriate or faulty communication among employees or between manager and his subordinates is the major cause of conflict and low morale at work. Manager should clarify to employees about what is to be done, how well are they doing and what can be done for better performance to improve their motivation. He can prepare a written statement, clearly outlining the relationship between company objectives and personal objectives and integrating the interest of the two.

For increase productivity:
With effective communication, you can maintain a good human relation in the organization and by encouraging ideas or suggestions from employees or workers and implementing them whenever possible, you can also increase production at low cost.

For employees:
It is through the communication that employees submit their work reports, comments, grievances and suggestions to their seniors or management. Organization should have effective and speedy communication policy and procedures to avoid delays, misunderstandings, confusion or distortions of facts and to establish harmony among all the concerned people and departments.

Increase in size:
Business firms have grown tremendously in scale of operation. A large business firm today employs thousands of people and has factories and offices in different parts of the world. The head office must always be in touch of all branch offices. An effective system is required for this purpose.
Barriers of Communication:

Perceptual and Language Differences: Perception is generally how each individual interprets the world around him. All generally want to receive messages which are significant to them. But any message which is against their values is not accepted. A same event may be taken differently by different individuals. For example: A person is on leave for a month due to personal reasons (family member being critical). The HR Manager might be in confusion whether to retain that employee or not, the immediate manager might think of replacement because his team’s productivity is being hampered, the family members might take him as an emotional support.

The linguistic differences also lead to communication breakdown. Same word may mean different to different individuals. For example: consider a word “value”.

What is the value of this Laptop?

I value our relation?

What is the value of learning technical skills?

Information Overload: Managers are surrounded with a pool of information. It is essential to control this information flow else the information is likely to be misinterpreted or forgotten or overlooked. As a result communication is less effective.

Inattention: At times we just not listen, but only hear. For example a traveller may pay attention to one “NO PARKING” sign, but if such sign is put all over the city, he no longer listens to it. Thus, repetitive messages should be ignored for effective communication. Similarly if a superior is engrossed in his paper work and his subordinate explains him his problem, the superior may not get what he is saying and it leads to disappointment of subordinate.

Time Pressures: Often in organization the targets have to be achieved within a specified time period, the failure of which has adverse consequences. In a haste to meet deadlines, the formal channels of communication are shortened, or messages are partially given, i.e., not completely transferred. Thus sufficient time should be given for effective communication.
Principles of Effective Communication:

There are 7 C’s of effective communication which are applicable to both written as well as oral communication. These are as follows:

**Distraction/Noise:** Communication is also affected a lot by noise to distractions. Physical distractions are also there such as, poor lightning, uncomfortable sitting, unhygienic room also affects communication in a meeting. Similarly use of loud speakers interferes with communication.

**Emotions:** Emotional state at a particular point of time also affects communication. If the receiver feels that communicator is angry he interprets that the information being sent is very bad. While he takes it differently if the communicator is happy and jovial (in that case the message is interpreted to be good and interesting).

**Complexity in Organizational Structure:** Greater the hierarchy in an organization (i.e. more the number of managerial levels), more is the chances of communication getting destroyed. Only the people at the top level can see the overall picture while the people at low level just have knowledge about their own area and a little knowledge about other areas.

**Poor retention:** Human memory cannot function beyond a limit. One can’t always retain what is being told specially if he is not interested or not attentive. This leads to communication breakdown.

**Personal Barriers:** Differences in the level of understanding, judgement, values etc. of sender and receiver restricts communication. Pressure of time, inability to communicate, inferiority complex etc. are other personal barriers.

**Premature Evaluation:** Some persons tends to form a judgement or arrive at a conclusion before receiving the complete message. This tendency is known as premature evaluation. It distorts understanding and act as a barrier of effective communication.
1. **Completeness** - The communication must be complete. It should convey all facts required by the audience. The sender of the message must take into consideration the receiver’s mind set and convey the message accordingly. A complete communication has following features:

1. Complete communication develops and enhances reputation of an organization.
2. Moreover, they are cost saving as no crucial information is missing and no additional cost is incurred in conveying extra message if the communication is complete.
3. A complete communication always gives additional information wherever required. It leaves no questions in the mind of receiver.
4. Complete communication helps in better decision-making by the audience/readers/receivers of message as they get all desired and crucial information.
5. It persuades the audience.

2. **Conciseness** - Conciseness means wordiness, i.e, communicating what you want to convey in least possible words without forgoing the other C’s of communication. Conciseness is a necessity for effective communication. Concise communication has following features:

- It is both time-saving as well as cost-saving.
- It underlines and highlights the main message as it avoids using excessive and needless words.
- Concise communication provides short and essential message in limited words to the audience.
- Concise message is more appealing and comprehensible to the audience.
- Concise message is non-repetitive in nature.

3. **Consideration** - Consideration implies “stepping into the shoes of others”. Effective communication must take the audience into consideration, i.e, the audience’s view points, background, mind-set, education level, etc. Make an attempt to envisage your audience, their requirements, emotions as well as problems. Ensure that the self-respect of the audience is maintained and their emotions are not at harm. Modify your words in message to suit the audience’s needs while making your message complete. Features of considerate communication are as follows:

- Emphasize on “you” approach.
- Empathize with the audience and exhibit interest in the audience. This will stimulate a positive reaction from the audience.
- Show optimism towards your audience. Emphasize on “what is possible” rather than “what is impossible”. Lay stress on positive words such as jovial, committed, thanks, warm, healthy, help, etc.
4. **Clarity** - Clarity implies emphasizing on a specific message or goal at a time, rather than trying to achieve too much at once. Clarity in communication has following features:

- It makes understanding easier.
- Complete clarity of thoughts and ideas enhances the meaning of message.
- Clear message makes use of exact, appropriate and concrete words.

5. **Concreteness** - Concrete communication implies being particular and clear rather than fuzzy and general. Concreteness strengthens the confidence. Concrete message has following features:

- It is supported with specific facts and figures.
- It makes use of words that are clear and that build the reputation.
- Concrete messages are not misinterpreted.

6. **Courtesy** - Courtesy in message implies the message should show the sender’s expression as well as should respect the receiver. The sender of the message should be sincerely polite, judicious, reflective and enthusiastic. Courteous message has following features:

- Courtesy implies taking into consideration both viewpoints as well as feelings of the receiver of the message.
- Courteous message is positive and focused at the audience.
- It makes use of terms showing respect for the receiver of message.
- It is not at all biased.

7. **Correctness** - Correctness in communication implies that there are no grammatical errors in communication. Correct communication has following features:

- The message is exact, correct and well-timed.
- If the communication is correct, it boosts up the confidence level.
- Correct message has greater impact on the audience/ readers.
- It checks for the precision and accurateness of facts and figures used in the message.
- It makes use of appropriate and correct language in the message.

**INTERPERSONAL SKILLS REQUIRED FOR EFFECTIVE COMMUNICATION:**

**Speaking Skills:** Ability to speak well is a valuable skill. Speaking is an art and it can be mastered through training and practice. The following guidelines can help you become a good speaker: 1. **Know Your Subject:** A good speaker must know and understand the topic on which he is speaking. He must have full facts to support his arguments. Otherwise he will fail to impress and win his audience. 2. **Know Your Audience:** The effectiveness of a speaker depends largely on the intelligence, attitudes and behavior of his audience. You must know your audience (age, education, interests, attitudes, etc.) so that you tailor your words, tone and pitch to suit them. Before you say something, consider its possible effect on the audience. Otherwise you may have to deny or retract what you have said.
**Adopt Right Posture:** A speaker should maintain eye contact with his listener. It helps to maintain a link and to personalize what you say. Do not speak with your head down. Do not create a barrier between you and your audience, e.g., a brief case. Be face-to-face with your audience. **Involve Your Audience:** The speaker should involve the audience by asking them to repeat what has been said. Present one idea at a time and take a pause after each point. The interval between sentences keeps the audience expectantly waiting for the next sentence. Pause after cheers. From time-to-time check-up how much of your message has gone into the minds of listeners. You must be enthusiastic and lively, otherwise you cannot create interest on the part of audience. **Be Empathetic:** Put yourself in the position of listener and then speak. Never hurt the feelings and sentiments of the audience because like a fired bullet, a spoken word cannot be taken back. Reply all questions with dignity but without defamation of others. Use intellect rather than rough tongue to deal with criticism and opponents. Do not be rude while dealing with interruptions.

**Use Humour:** A good speaker should have a sense of humour. He should speak clearly with right volume and tone of voice. Control your passions and use studied clam.

**Practice:** You must practice speaking to gain self-confidence and to improve the art of speaking.

**Listening Skills:** Listening with complete attention and empathy is essential for success in communication. Some guidelines for effective listening are as under:

**Positive Attitude:** As started earlier, negative attitudes, bias and ego close the mind and lead to poor listening. Therefore, listen with a positive attitude and do not allow your prejudices to close your mind. Listen with an open mind free from bias. Try to like the speaker and take interest in what he is saying. Put the speaker at ease. **Concentration:** Concentrate on what the other person is saying rather than on his physical appearance or mannerism. Voice and style should not be given priority over words. You can get valuable information even from a person with poor appearance. Develop a conscious desire not to miss out any of the vital points made by the speaker. Perceive your power as a listener. **Quiet Atmosphere:** Arrange the lecture/speech at a place free from all types of noise. Do not allow telephone and other equipment to disturb your concentration. Avoid tapping the foot or shuffling your papers.
**Full Attention:** Pay complete mental attention to what the speaker is saying. Shut past experiences and future plans out of your mind. Keep your eyes fixed on the speaker. If you start looking around the room or out of the window your mind is likely to wander off. Self-discipline is essential for keeping the mind attentive. **No Talking:** Keep quiet while listening. Try to listen what a speaker means rather than what he says. Try to relate the speaker’s remarks to your personal background and experience so that the remarks can stick in your memory. Indicate acceptance by occasional yes or nod of head. **Reception:** While listening to a long talk try to repeat the key ideas to yourself. This will enable you to understand and assimilate the talk. **Minimum Notes:** Do not try to note down everything the speaker is saying keep the notes to the minimum key points as an aid to memory.

**Body Language:** A good listener should use both eyes and ears. Pay attention to the facial expressions and gestures of the speaker. These indicate the speaker’s mind and reveal what is unsaid. For example, high tone and pitch signify excitement and anger. By watching the body language you can listen to what you can’t hear. Listen between the lines. **Improve Vocabulary:** Mastery over language enables you to understand words correctly and quickly. You can improve your vocabulary by watching discussions and debates and by reading. **Patience:** Be patient and allow the speaker to say freely. Put yourself in the speaker’s position, postpone judgment till the end and wait for the speaker to finish. Avoid premature arguments and mental rebuttals. **Question-Answer:** Whenever you are in doubt raise questions and seek clarifications. Asking questions also shows your interest, but do not interrupt in the middle of the lecture.
Horizontal Communication: The flow of communication between persons occupying positions at the same level of authority is known as **horizontal communication**. Exchange of information between two departmental heads is an example of horizontal communication.

Diagonal communication: It means communication between a superior and subordinate who work in different department e.g. communication between factory superintendent and marketing manager. Such communication violates the principle of unity of command.

Channel or Types of Communication:

- **Formal Communication**: Formal communication refers to official communication. It takes place through the paths officially created by the organization. The scalar chain of authority consisting of superior subordinate relationships provides the channels for formal communication such communication is associated with is status or position of the sender and the receiver.

According to the direction of flow formal communication can be four types which are given below:

1. **Downward communication**: The flow of communication from the top management downwards to the operating level is known as **downward communication**. It is used for giving orders and instructions, providing information about company policies and rules and for influencing attitudes and behaviour of subordinates. Downward communication involves transmission of messages from superiors to subordinates. It consists of plans, policies, orders, rules, procedures, etc.

2. **Upwards Communication**: The flow of communication from the operating level upwards to top management is known as **upward communication**. It is used to convey information relating to work performance, problems concerning work, grievances and suggestions, clarifications required about work methods and procedures, etc. Upward communication gives an opportunity to workers to express their opinions and feelings. It also keeps management informed about the progress of work and performance of subordinates. Downward communication and upward communication are two forms of vertical communication which means communications between superiors and subordinates.
Advantages and disadvantages of formal communication

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
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<tbody>
<tr>
<td>It is systematic and ensures structured flow of information - well planned.</td>
<td>It tends to be slow as it has to pass through the prescribed levels of authority.</td>
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<tr>
<td>It provides support to the authority and status of superiors.</td>
<td>It is rigid and rule bound-time-consuming.</td>
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<tr>
<td>It helps in fixing responsibility for actions taken.</td>
<td>It lacks personal touch and sense of involvement.</td>
</tr>
<tr>
<td>The source of formal communication can be easily located-authentic.</td>
<td>It may lead to overload of work for higher authorities.</td>
</tr>
<tr>
<td>It helps in coordination of various activities and efforts.</td>
<td>Accurate information may not be transmitted due to fear of criticism.</td>
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<tr>
<td>It facilitates managerial control by providing information on performance and attitudes of subordinates.</td>
<td></td>
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<tr>
<td>It is useful for explaining plans and policies to employees.</td>
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Informal communication: Communication among people through informal contacts is known as informal communication. It is also known as grapevine because it spreads throughout the organization with its branches going out in all directions irrespective of levels of authority. It does not flow through the official relationships. Informal communication represents spontaneous expression of ideas and reaction. It is built around interpersonal relations between people working in an organization. It is not created by management but co-exists with the formal communication system. It may consist of work related matters as well as matters of mutual interest. A chit-chat between a factory worker, a sales officer and an accountant during lunch sales officer and an accountant during lunch sales is an example of informal communication.
# Advantages and Disadvantages of Informal communication

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
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<tbody>
<tr>
<td>It travels faster and can be used by management for speedy transmission of urgent messages.</td>
<td>It tends to be unsystematic, irregular and untimely. It is not reliable and predictable.</td>
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<tr>
<td>It serves to fill gaps, if any, in formal communication.</td>
<td>It is not easy to fix responsibility for actions taken on its basis as the origin of such communication is not easily traceable.</td>
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<tr>
<td>It can be used to communicate matters which cannot be transmitted through the formal communication.</td>
<td>The message may get distorted because different persons pass on the same message with different outlook and interpretation.</td>
</tr>
<tr>
<td>Managers can better ascertain the attitudes and reactions to plans and policies through informal contacts with the employees.</td>
<td>It often contains rumors and distorted facts.</td>
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<tr>
<td>It provides emotional support to employees, thereby improving industrial relations.</td>
<td>Management should use informal communication with due precautions because confidential information often leaks out through grapevine.</td>
</tr>
<tr>
<td>It enables employees to develop friendly relations and get social satisfaction. It satisfies their urge to know what is happening in the organization.</td>
<td>It is not appropriate for communicating confidential messages.</td>
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<tr>
<td>It provides a useful means of communication between persons who may not be linked through the official chain of command.</td>
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## Distinction between Formal and Informal Communication

<table>
<thead>
<tr>
<th>Formal Communication</th>
<th>Informal Communication</th>
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<tbody>
<tr>
<td>It follows the officially established relationships.</td>
<td>It does not follow the officially established relationships.</td>
</tr>
<tr>
<td>It is preplanned.</td>
<td>It is not preplanned.</td>
</tr>
<tr>
<td>It is rigid.</td>
<td>It is flexible.</td>
</tr>
<tr>
<td>It is slow as it has to follow the prescribed path.</td>
<td>It is fast as it does not follow a particular path.</td>
</tr>
<tr>
<td>It consists mostly of work related matters.</td>
<td>It consists mostly of personal matters.</td>
</tr>
<tr>
<td>It is orderly and systematic as regards direction of flow.</td>
<td>It is unsystematic and elastic as regards direction of flow.</td>
</tr>
<tr>
<td>It serves organizational needs.</td>
<td>It serves social needs of members in addition to organizational needs.</td>
</tr>
<tr>
<td>It is expressed both in oral and written forms.</td>
<td>It is expressed in oral form only.</td>
</tr>
<tr>
<td>Chances of distortion are few.</td>
<td>Chances of distortion are many.</td>
</tr>
<tr>
<td>Status or position of persons is very important.</td>
<td>Status or position of persons is not important.</td>
</tr>
<tr>
<td>It is authentic-responsibility for the message can be fixed.</td>
<td>It is not authentic-responsibility cannot be fixed.</td>
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Functions of Communication:

1. **Basis of Decision making:**
   Communication is essential for decision making and planning. It enables the manager to obtain the information necessary for taking decisions. In fact, the quality of managerial decision depends on the quality and timeliness of communication. Moreover, the decisions and plans of management need to be communicated to employees.

2. **Smooth and efficient working:**
   Management has to get things done from the subordinates. In order to get things done, orders and instructions are issued, which is not possible without communication. Communication helps in proper implementation of plans and policies of the management.

3. **Increasing managerial efficiency:**
   Effective communication makes managers and workers understand clearly the goals of organization. It facilitates delegation and decentralization of authority. The efficiency of the management depends on its ability to communicate effectively with the members of the organization.

4. **Facilitate Co-ordination:**
   Communication helps to create unity of purpose and harmony of efforts in the pursuit of common goals. It binds people together and creates team work.

5. **Promotes industrial peace:**
   Effective communication creates mutual understanding and trust among employers and employees. It enables workers to express their grievances, problems, and suggestions to management. Therefore, communication helps to improve motivation and morale of the employees. It helps harmonious interpersonal relations and industrial peace. It permits democratic management through workers participation in the management of industry.

6. **Effective Control:**
   Communication is the means of effective control. It helps to explain performance standards, to measure and communicate performance to the management and to communicate corrective action to workers.

7. **Good public relations:**
   A sound communication system helps an organization in establishing and maintaining cordial relation with its customers, suppliers, shareholders, investors, etc. Good public relations help the organization in building good corporate image in the society.

Questions:

**Objective – (For 2 marks)**

1. Define Communication.
2. How does communication help to maintain public relation?
3. State two objectives of communication.
4. What is the importance of Feedback in communication?
5. What is the importance of encoding in communication?
6. What is Formal Communication?
7. What is informal communication?
8. Give main difference between upward and downward communication.
9. Explain the process of communication with the help of a simple model.
10. What do you mean by ‘rumour’ in communication?
11. What is communication gap?
12. Explain the feature two-way process in the context of communication.
13. Explain premature evaluation as a barrier of communication.
14. Name the 7C’s of effective communication.
15. What is Horizontal communication?
16. What is Diagonal communication?

Subjective – (For 5 marks)

1. Explain in brief the interpersonal skills in communication.
2. Explain 7 c’s as a mean of effective communication.
3. Explain any 5 barriers of effective communication.
4. Explain merits and demerits of formal communication.
5. Explain merits and demerits of informal communication.
6. Explain the objectives/ Importance of communication.
7. Differentiate between formal and informal communication.
8. Explain any 5 functions of communication.
9. Why the importance of communication increases in modern world? (5 reasons)
10. What is communication? Explain the features of it.
11. Explain the elements of communication process.