PART III: COMMUNICATION
Importance of Communication

Question 1

Explain the factors which are responsible for the growing importance of communication of an organization.

Answer

The importance of communication in the industrial organization has increased immensely in these days. The following factors are responsible for the growing importance of communication:

(a) Growth in the size and multiple locations of organizations: Most of the organizations are growing larger and larger in size. The people are working in the country and abroad, of these organizations. Keeping in touch, sending directions across and getting feedback is possible only when communication lines are kept working effectively.

(b) Growth of trade unions: Over the last so many decades, trade unions have been growing strong. No management can be successful without taking the trade unions into confidence. Effective communication will create relationship between the management and the workers.

(c) Growing importance of human relations: Workers in an organization are not like machines. They have their own hopes and aspirations. Management has to recognize them and should work with the spirit of integration so that human relations may be maintained. This may only be achieved through effective communication.

(d) Public relations: Every organization has a social responsibility towards customers, government, suppliers and the public at large. Communication is the only way an organization can project a positive image of itself.

(e) Advances in behavioral sciences: Modern management is deeply influenced by exciting discoveries made in behavioral sciences like psychology, sociology, transactional analysis etc. All of them throw light on suitable aspects of human nature and help in developing a positive attitude towards life and building up meaningful relationship. This is possible only through communication.

(f) Technological advancement: The world is changing very fast, owing to scientific and technological advancements. These advancements deeply affect not only the methods of
work but also the compositions of groups. In such a situation, proper communication between superiors and subordinates becomes very necessary.

**Process of Communication**

**Question 2**

*Explain clearly the process of Communication.*

**Answer**

**Process of Communication:** Communication is a two-way process in which there is an exchange of ideas or thoughts linking the sender and receiver towards a mutually accepted direction or goal consisting of 7 elements which are as under:

1. **Sender:** The process of communication begins with a sender, the person who has an idea and desires to exchange it.
2. **Encoding:** The sender puts his/her ideas or facts into words, symbols, pictures or gestures that the receiver can understand.
3. **Message:** A message refers to what is being communicated. It may be verbal or non-verbal.
4. **Channel:** Channel is the medium through which message is transmitted to the sender. Channel may be in oral or written forms.
5. **Receiver:** It is any person who notices and attaches some meaning to a message.
6. **Decoding:** The receiver translates the words and symbols used in the message into ideas and interpret it to attain its meaning.
7. **Feedback:** Ultimately receiver reacts or responds to the communication sent by the sender. It could be based on clear interpretation of the symbols sent or misunderstanding or misinterpretation of the symbols sent.

**Formal Communication**

**Question 3**

*What is formal communication? Explain in brief its major advantages.*

*Or*

*Explain clearly the advantages of a formal communication.*

**Answer**

**Formal Communication:** A formal communication flows along prescribed channels which all organizational members desirous of communicating with one another are obliged to follow. Every organisation has a built-in hierarchical system that can be compared to a pyramid. It can, therefore, be understood that communication normally flows from top-downwards. But it is not always so. Communication in an organisation is multidimensional or multidirectional.
Following are the directions in which communications are sent:

(a) Downward

(b) Upward

(c) Horizontal or Lateral

(d) Diagonal or Crosswise

**Advantages of Formal Communication:**

(a) The formal channels account for most of the effectiveness of communication. As has been said earlier, great care has to be taken in sending across any letter or report through the ‘proper’ formal channel.

(b) Formal channels cover an ever-widening distance as organizations grow. Through them, it is easier to reach out to the branches of an organisation spread far and wide.

(c) The formal channels, because of their tendency to filter information, keep the higher level managers from getting bogged down.

(d) Formal channels of communication consolidate the organisation and satisfy the people in managerial position.

**Question 4**

*Explain the various forms of formal communication.*

**Answer**

A formal communication flows along prescribed channels which all organizational members desirous of communicating with one another are obliged to follow. Every organization has
13.4  Business Law, Ethics and Communication

built-in hierarchical system, communication in an organization is multidirectional. On the basis of various directions in which communications are sent, we can classify formal communication in these forms:

(i)  Downward Communication
(ii) Upward Communication
(iii) Horizontal or Lateral Communication
(iv) Diagonal or Crosswise Communication

Communication generally flows from top to bottom. Downward communication means communication from superior to subordinate in the hierarchical system of the organization. It includes orders and instructions. In upward communication, message flows from the subordinate to superior in the form of request, reports, instructions, complaints and suggestions. Communication between co-workers with different areas of responsibility is called horizontal (lateral) communication. Communication among the functional managers of a company is the best example of horizontal communication. Diagonal communication means communication among the various Department/employees of the organization without any hierarchical system in case of emergency.

Informal Communication

Grapevine Chains

Question 5

What are the factors that lead to grapevine communication?

Answer

The grapevine becomes active when the following factors are present:

(a) Feeling of uncertainty or lack of sense of direction when the organisation is passing through a difficult period.

(b) Feeling of inadequacy or lack of self confidence on the part of the employee, leading to the formation of groups.

(c) Formation of a coterie or favoured group by the manager, giving other employees a feeling of insecurity or isolation. People operating in such circumstances will be filled with all sorts of ideas and will share them with like minded companions, at whatever level they may be. Mostly they find them at their own level, but other levels are not barred. This type of communication is being seriously studied by psychologists and management experts.

Question 6

Explain clearly the meaning of the term ‘Grapevine’ as applicable to Communication.
Answer

Grapevine: Applicable to Communication: Communication may be oral or written for direct contact. It may be informal also. The “Grapevine” is one of the recognized channels of informal communication. According to human psychology, a person likes to form and move in groups. They interact on serious and non-serious issues and they spread it fast whether the information is correct or not. This process is known as rumour mill. The larger the organization, the more active is the rumour mill. The phenomenon of grapevine is based on generally three factors, namely: (1) formation of favoured group (2) lack of self confidence and, (3) feeling of uncertainty due to lack of directions. Four kinds of the grapevine chains have been identified and they are:

(a) Single Strand Chain, which is the least accurate in passing on the information or message.
(b) Gossip Chain, which is often used when information or a message regarding ‘not-on-job’ nature is being conveyed.
(c) Probability Chain is used when information is somewhat interesting but not really significant.
(d) Cluster Chain, which acts as liaison and spreads information with the greatest speed.

Question 7
What are the merits and demerits of grape-vine form of Communication?

Answer

Merits of the grapevine phenomenon:

(a) Speedy transmission: It transmits information very speedily. A rumour spreads like wild fire.
(b) Feedback value: The managers or top bosses of an organisation get the feedback regarding their policies, decisions, memos etc.
(c) Support to other channels: It is a supplementary or parallel channel of communication.
(d) Psychological satisfaction: It gives immense psychological satisfaction to the workers and strengthens their solidarity.

Demerits of the grapevine phenomenon:

(a) It is less credible. It cannot always be taken seriously.
(b) It does not always carry the complete information.
(c) It often distorts the picture or often misinforms.

Question 8

*Explain clearly the different types of grapevine chains in an informal communication.*
OR

Briefly explain the “Grapevine Chains” propounded by the experts in relation to informal way of communication.

Answer

Grapevine Chains: Specialists in this field have identified four types of grapevine chains in an informal communication:

1. **Single Strand Chain:** In this type of chain, 'A' tells something to 'B' who tells it to 'C' and so on. This type of chain is least accurate in passing on the information or message.

2. **Gossip Chain:** In it, a person seeks out and tells everyone the information he has obtained. This chain is often used when information or a message regarding a 'not-on-job' nature is being conveyed.

3. **Probability Chain:** In it, individuals are indifferent to the persons, to whom they are passing some information. This chain is found when the information is somewhat interesting but not really significant.

4. **Cluster Chain:** In this type of chain, 'A' tells something to a few selected individuals and then some of these individuals inform a few other selected individuals. In fact, cluster chain is the dominant grapevine pattern in an organisation. Only few persons are 'liaison individuals' who pass on the information they have obtained and then they are likely to share it with the people they trust. Most informal communication flows through this chain.

Communication Media

Question 9

Elaborate merits and limitations of oral communication.

Answer

Oral Communication: According to a research, an average manager in general spends only 9% of his/her time in writing, 16% in reading, 30% in speaking and 45% in listening, as shown in the following figure.
Oral communication is characterized by seven Cs – Candidness, Clarity, Completeness, Conciseness, Concreteness, Correctness, and Courtesy. These act as principles for choosing the form (style) and content (matter) of oral communication. Oral communication should provide a platform for fair and candid exchange of ideas.

Oral communication, which is face-to-face communication with others, has its own benefits. When people communicate orally, they are able to interact; they can ask questions and even test their understanding of the message. In addition, people can also relate and comprehend the non-verbal, which serves far more than words. By observing facial expressions, eye contact, tone of voice, gestures, postures, etc., one can understand the message better.

The only shortcoming of oral communication is that more often than not it is spontaneous and if one communicates incorrectly, the message will not get understood. It is primarily due to this reason, one need to develop effective oral communication skills as a message; if not understood at appropriate time, can lead to disaster.

**Question 10**

*What principles you would keep in mind in oral communication?*

**Answer**

The communicator should follow the following –

(a) Consider the objective.
(b) Think about the interest level of the receiver.
(c) Be sincere.
(d) Use simple language, familiar words.
(e) Be brief and precise.
(f) Avoid vagueness and generalities.
(g) Give full facts.
(h) Assume nothing.
(i) Use polite words and tone.
(j) Cut out insulting message.
(k) Say something interesting and pleasing to the recipient.
(l) Allow time to respond.

**Question 11**

*What important factors should be considered to make oral communication effective?*

**Answer**
Factors to be considered for oral effective communication: Oral communication, which is face-to-face communication with others, has its own benefits. The only shortcoming of oral communication is that it is spontaneous and if one communicates incorrectly, the message will not get understood. It is primarily due to this reason one needs to develop effective oral communication skills as a message, if not understood at appropriate time, can lead to disaster.

In order to provide a fair and candid exchange of ideas, the following factors to be considered to make the oral communication effective:

- Consider the objective
- Think about the interest level of the receiver
- Be sincere
- Use simple language, familiar words
- Be brief and precise
- Avoid vagueness and generalities
- Give full facts
- Assume nothing
- Use polite words and tone
- Cut out insulting message
- Say something interesting and pleasing to the recipient
- Allow time to respond
- To make the oral communication effective, the speaker should converse slowly with proper semantic pauses to enable the listener receive and register in mind whatever is said by the speaker and there should be a due correlation between the pace of speaking and the rate of listening.

Question 12

Elaborate advantages and limitations of oral and written communication.

Answer

Advantages and limitations of oral and written communication:

<table>
<thead>
<tr>
<th></th>
<th>Oral Communication</th>
<th>Written Communication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advantages</td>
<td></td>
<td>Advantage</td>
</tr>
<tr>
<td>More personal and informal</td>
<td></td>
<td>Better for complex and difficult subjects, facts and opinions</td>
</tr>
<tr>
<td>Makes immediate impact</td>
<td></td>
<td>Better for keeping records of messages</td>
</tr>
</tbody>
</table>

© The Institute of Chartered Accountants of India
<table>
<thead>
<tr>
<th>Essentials of Communication 13.9</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Provides opportunity for interaction and feedback</th>
<th>Provides opportunity to refer back</th>
</tr>
</thead>
<tbody>
<tr>
<td>Helps us to correct ourselves (our messages according to the feedback and non-verbal cues received from the listener)</td>
<td>Can be read at receiver’s convenience or pleasure</td>
</tr>
<tr>
<td>Better for conveying feelings and emotions</td>
<td>Can be revised before transmitting</td>
</tr>
<tr>
<td>Can be circulated</td>
<td>Can be circulated</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Limitations</th>
<th>Limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demands ability to think coherently as you speak</td>
<td>Never know if the message is ever read</td>
</tr>
<tr>
<td>A word once uttered cannot be taken back</td>
<td>Impersonal and remote</td>
</tr>
<tr>
<td>Hard to control voice pitch and tone, especially under stress, excitement or anger</td>
<td>Immediate feedback is not available for correction on the spot</td>
</tr>
<tr>
<td>Very difficult to be conscious of our body language</td>
<td>Reader is not helped by non-verbal cues that contribute to the total message</td>
</tr>
</tbody>
</table>

**Question 13**

*State reasons for selecting the oral mode of communication instead of the written mode of communication.*

**Answer**

Oral Communication is a face to face communication with others. Oral communication is characterized by seven Cs – Candidness, Clarity, Completeness, Conciseness, Concreteness, Correctness, and Courtesy. These act as principles for selecting the mode of oral communication. In addition to above seven principles it has its own benefits as under:

(i) More personal and informal.

(ii) Make immediate and impact.

(iii) Provides opportunity for interaction and feedback.

(iv) Helps us to correct ourselves (our message according to the feedback and non-verbal cues received from the listener).

(v) Better for conveying feelings and emotions.

(vi) More effective because one can understand the message better by observing facial expressions, eye contact, tone of voice, gestures, postures etc of the sender.

It is said that it does not matter what you say, what matters is how you say it. Your way of saying includes your choice of words, your confidence and sincerity.

**Question 14**
13.10 Business Law, Ethics and Communication

Explain the merits and limitations of oral communication.

Answer

Oral Communication – its merits and limitations - Communication through the spoken word is known as oral communication. Some of the merits of oral communication are as under:

(i) saves time and money;
(ii) immediate feedback;
(iii) saves paper work;
(iv) an effective tool for exhortation;
(v) builds a healthy climate;
(vi) best tool during emergency.

Some of the limitations of Oral Communication are:

(i) Greater chances of misunderstanding;
(ii) Bad speaker;
(iii) Ineffective for lengthy communication;
(iv) Lower retention rate;
(v) No legal validity;
(vi) Difficult to fix responsibility.

Question 15

"Importance of communication is increasing day-by-day in the business organizations". State the reasons for this increasing importance.

Answer

Reasons for increasing importance of communication: It is true that importance of communication is increasing day by day in the business organizations. The reasons for this growth may be stated as follows:

(a) Growth in the size and multiple locations of organization: Most of the organizations are growing larger and large in size. The people working in these organizations may be spread over different states of a country or over different countries. Keeping in touch, sending directions across and getting feedback is possible only when communication lines are kept working effectively.

(b) Growth of trade unions: Over the last so many decades trade unions have been growing strong. No management can be successful without taking the trade unions in confidence. Only through effective communication can a meaningful relationship be built between the management and workers.
(c) Growing importance of human relations: Workers in an organization are not like machines. They have their own hopes and aspirations. Management has to recognize them above all as sensitive human beings and work towards a spirit of integration with them which effective communication helps to achieve.

(d) Public Relations: Every organization has a social responsibility, towards customers, government, suppliers and the public at large. Communication with them is the only way an organization can project a positive image of itself.

(e) Advance in Behavioural Sciences: Modern management is deeply influenced by exciting discoveries made in behavioural sciences like psychology, sociology, transactional analysis etc. All of them throw light on subtle aspects of human nature and help in developing a positive attitude towards life and building up meaningful relationships. And this is possible only through communication.

(f) Technological advancement: The world is changing very fast, owing to scientific and technological advancements. These advancements deeply affect not only methods of work but also the composition of groups. In such a situation proper communication between superiors and subordinates becomes very necessary.

Non-Verbal Communication

Question 16

What is Chronemics?

Answer

Chronemics is the study of how we use time to communicate. The meaning of time differs around the world. While some are preoccupied with time, others waste it regularly. While some people function better in the morning, others perform better at night. Punctuality is an important factor in time communication. Misunderstandings or disagreements involving time can create communication and relationship problems.

Barriers to Effective Communication

Question 17

Explain the main barriers to communication.

Answer

A communication of the message is successful only when both the sender and the receiver perceive it in the same manner. Quite often, there is miscommunication due to one barrier or the other. Barriers or problems can arise at any stage of the communication process. It is very important to understand the causes of communication breakdown.

Following are the main barriers to communication:
(a) **Noise:** Noise refers to the distracting element that breaks the concentration of the sender or receiver and prevents him/her from paying attention to the content of the message. Distraction (noise) can be either physical or psychological. Noise can lead to miscommunication and measures must be taken to overcome it.

(b) **Semantic Barriers:** Semantic refers to the study of meanings of words and signs. Semantic barrier occurs due to:
   (i) Sender and receiver interpret same words in different manner.
   (ii) Words carry different nuances, shades and flavours to the sender and receiver.
   (iii) Faulty translation.
   (iv) Poor expression power or ability.

(c) **Cultural Barrier:** We live in a globalised world and may encounter individuals of different races, religions and nationalities. The same category of words, phrases, symbols, actions, colours mean different things to people of different cultural background e.g. in the United States of America, people like to be called by their first name, while in Britain and to a large extent also in India, people like to be addressed by their surname.

(d) **Emotions:** Emotions play a very vital role in our life. Both encoding and decoding of messages are influenced by our emotions. A message received when we are emotionally charged up will have a different meaning for us than when we are calm and composed.

(e) **Status Consciousness:** Subordinates are either too conscious of their low status or too afraid of being snubbed. At the same time, many executives keep distance from their juniors thinking that consulting subordinates is something below their dignity.

(f) **Poor Listening:** Poor listening may lead to serious communication problems. Too many people are interested in talking and mostly talking about themselves. Poor listening accounts for incomplete information and also for poor retention.

Question 18

*What do you understand by the “Semantic Barriers” to the communication?*

OR

*Explain the term "Semantic Problems” as the source contributing towards noise factor.*

Answer

**Semantic Barriers to the communication:** Semantics is the systematic study of meaning. That is why the problems arising from expression or transmission of meaning in communication are called semantic problems. Oral or written communication is based on words. And words, limited in number, may be used in unlimited ways. The meaning is in the mind of the sender and also in that of the receiver. But it is not always necessary for the meaning in the mind of the sender to be the same as in the mind of receiver. Much, therefore, depends on how the sender encodes his message. The sender has to take care that the receiver does not misconstrue his message, and gets the intended meaning. Quite often it
does not happen in this way. That leads to semantic problems. It can be ensured only if we aim at clarity, simplicity and brevity so that the receiver gets the intended meaning.

Question 19

How is “noise” a barrier to effective communication?

Answer

Noise as barrier to communication: Noise is the first and foremost barrier to communication. It means “interference that occurs in a signal and prevents you from hearing sounds properly. In a factory the continuous noise made by machines makes oral communication difficult. In the same way, same technical problems in a public address system or a static in a telephone or television cable will distort the sound signal and affect communication. Adverse weather conditions or some fault in the ultramodern telecommunications systems may also spoil the effect.

Further, the sender may resort to ambiguous or confusing signals. The receiver may mess up the message owing to inattention or may spoil decoding because of wrong or unexpected interpretation. The receiver’s prejudices may also come in the way of his understanding the message in the right spirit. Thus the communication is always likely to affected by ‘noise’ that stands for so many things. Some of the factors contributing towards noise factors are as follows:

(a) Poor Listening: A last moment communication with deadline may put too much pressure on the receiver and may result in resentment.

(b) In appropriate Channel: Poor choice of channel of communication can also be contributory to them in understanding of the message.

(c) Network breakdown: Some time staff may forget to forward a letter or there may be professional jealousy resulting in closed channel.

Question 20

What are “Socio-psychological Barriers” to effective communication? Explain.

Answer

Socio-psychological barriers- The attitudes and opinions, place in society and status consciousness arising from one’s position in the hierarchical structure of the organization, one’s relations with peers, seniors, juniors and family background – all these deeply affect one’s ability to communicate both as a sender and receiver. Status consciousness is widely known to be a serious communication barrier in organizations. It leads to psychological distancing which further leads to breakdown of communication or miscommunication. Often it is seen that a man high up in an organization builds up a wall around himself. This restricts participation of the less powerful in decision making. In the same way one’s family background formulates one’s attitude and communication skills.
Frame of reference is another barrier to clear communication. Every individual has a unique frame of reference formed by a combination of his experiences, education, culture, attitude and many other elements, resulting in biases and different experiences in a communication situation.

Planning Business Messages

Question 21

You have been assigned the job of composing business messages. What check-list would you prepare for organising the message?

OR

Prepare the detailed checklist for composing business message in an organization.

Answer

Check-list for organising the message:

Organisation:

1. Recognise good organisation
   (a) Subject and purpose are clear
   (b) Information is directly related to subject and purpose.
   (c) Ideas are grouped and presented logically
   (d) All necessary information is included

2. Achieve good organization through outlining-
   (a) Decide what to say
      (i) Main idea
      (ii) Major points
      (iii) Evidence
   (b) Organise the message to respond the audience is probable reaction-
      (i) use the direct approach when audience will be neutral, pleased, interested, or eager.
      (ii) use the indecent approach when audience will be displeased, interested, or unwilling.

3. Choose the appropriate organisation plan-
   (a) Short Messages -
      (i) Direct request
      (ii) Routine, good news and good message
(iii) Bad news message
(iv) Persuasive Message

(b) Longer message -
(i) Information pattern
(ii) Analytical pattern.

Question 22

Prepare the detailed checklist for composing business message in an organization.

Answer

Checklist for composing business message-

A. Recognize good organization
   (a) Subject and purpose are clear
   (b) Information is directly related to subject and purpose
   (c) Ideas are grouped and presented logically
   (d) All necessary information is included

B. Achieve good organization through outlining.
   (a) Decide what to say
      i. Main idea
      ii. Major points
      iii. Evidence
   (b) Organize the message to respond to the audience’s probable reaction
      i. Use the direct approach when your audience will be neutral, pleased, interested, or eager.
      ii. Use the indirect approach when your audience will be displeased, uninterested or unwilling.

C. Choose the appropriate organization plan
   (a) Short messages
      i. Direct request
      ii. Routine, good news and goodwill message
      iii. Bad news message
      iv. Persuasive message
   (b) Longer Message
i. **Information pattern**

ii. **Analytical pattern**

**Question 23**

*Draft a business letter, presuming your facts that you have received the goods from the company and you are sending payments.*

**Answer**

Business Letter - acknowledging receipt of goods:

MEHTA CHEMICALS LIMITED  
Regd. Office : 15, Okhla Estate, New Delhi - 110016  
Phone : 6132757, Fax : 6132767  
E-mail: mehtachem@rediffmail.com , website: www.mehtachem.org

Messrs. Shippers & Perfect Delivers  
16, Nariman Point  
Mumbai  
Sir

**Subject:** Acknowledging the receipt of Consignment No ______  

We acknowledge with thanks the receipt of above consignment in our godown and we are arranging the payment of proceeds towards the said consignment by way of crossed cheque in favour of your company within a period of next 15 days.

We solicit your relationship in our future dealings.

Thanking you  
Yours faithfully  
For on behalf of Mehta Chemicals Ltd.

**Exercise**

1. **Define the term paralanguage.**

[Hint: **Paralanguage**: The term paralanguage is used to describe a wide range of vocal characteristics like tone, pitch, and speed etc – vocal cues that accompany spoken language which help to express and reflect the speaker's attitude. Adept communicators know how to use these cues effectively to help their listeners appreciate and understand content and mood. Through it one can convey enthusiasm, confidence, anxiety, and urgency. Paralanguage
describes a wide range of vocal characteristics, which help to express and reflect the speaker’s attitude.

2. Explain poor listening as a barrier to communication.
   [Hint: Poor listening may lead to serious communication problems. Too many people are interested in talking, and mostly talking about themselves. They are so much involved with themselves that they do not have patience to listen. The result is that they are not interested in the speaker whose words go waste. Everybody knows about the importance of listening, but very few actually practice patient, active and empathic listening. That is why, so many communication problems crop up. Poor listening accounts for incomplete information and also poor retention. One may simply not get the desired result if this keeps on happening.]