CHAPTER ONE
INTRODUCTION

1.1. Objective
1.2. Introduction
1.3. Significance of Communication
1.4. Nature and Development of Communication
1.5. Communication Theories
1.6. Summary
1.7. Review Questions

1.1 OBJECTIVES

After completing this unit students should be able to:

- Define the meaning, concept of Communication
- Explain the importance of communication in Business
- understand nature and development of Communication

1.1 An overview of Business Communication

1.1 INTRODUCTION

The word “communication” derived from the Latin word ‘communicare’ that means to impart, to

participate, to share or to make common. It is a process of exchange of facts, ideas, and opinions and as a means that individual or organization share meaning and understanding with one another.

It is the lifeblood of every business. Information must be conveyed, received, understood, and acted upon in a proper manner. When there is a breakdown in this process, organizational efficiency suffers. Most organizations depend on communication to accomplish their objectives.

Communication may be defined as interchange of thought or information

between two or more persons to bring about mutual understanding and desired action. It is the information exchange

by words or symbols. It is the exchange of facts, ideas and viewpoints which bring about commonness of interest, purpose and efforts.

In other words, it is a transmission and interacting the facts, ideas, opinion, feeling and attitudes. Therefore, communication is defined as the process of transmitting and receiving information. Furthermore, communication has been defined as transferring of thoughts or ideas from one person (or group of persons) so that they can be understood and act. It is the ability of mankind to communicate across barriers and beyond boundaries that has ushered the progress of mankind.

It is the ability of fostering speedy and effective communication around the world that has shrunk the world and made 'globalization' a reality. Communication had a vital role to play in

ensuring that people belonging to a particular country or a culture or linguistic group interact with and relate to people belonging to other countries or culture or linguistic group. Communication adds meaning to human life. It helps to build relationship and fosters love and understanding. It enriches our knowledge of the universe and makes living worthwhile.

From the above definitions, you might notice that all of them share something in common. All of the definitions stress that there should at least be two people for communication to occur & there should also be some kind of message that is intended to be transmitted from one party to another. And, when people communicate, they express their ideas & feelings in a way that is understandable to each other. They share information with each other.

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- Communication is the life blood of the business. No business can develop in the absence of effective communication system.
- Communication is the mortar that holds an organization together, whatever its business or its size.
- When people within the organization communicate with each other, it is internal communication and when people in the organization communicate with anyone outside the organization it is called external

communication.

- Ability to work well in teams, to manage your subordinates and your relationship with seniors, customers and colleagues depends on your communication skill.

1.2 Significance of communication

1.2.1. Purpose of communication

1. **For instruction:** The instructive function unvarying and importantly deals with the commanding nature. It is more or less of directive nature. Under this, the communicator transmits with necessary directives and guidance to the next level, so as to enable them to accomplish his particular tasks. In this, instructions basically flow from top to the lower level.
2. **For integration:** It is consolidated function under which integration of activities is endeavored. The integration function of communication mainly involves to bring about inter-relationship among the various functions of the business organization. It helps in the unification of different management functions.
3. **For information:** The purposes or function of communication in an organization is to inform the individual or group about the particular task or company policies and procedures etc. Top management informs policies to the lower level through the middle level. In turn, the lower level informs the top level the reaction through the middle level. Information can flow vertically, horizontally and diagonally across the organization. Becoming informed or inform others is the main purpose of communication.
4. **For evaluation:** Examination of activities to form an idea or judgment of the worth of task is achieved through communication. Communication is a tool to appraise the individual or team, their contribution to the organization. Evaluating one's own inputs or other's outputs or some ideological scheme demands an adequate and effective communication process.
5. **For direction:** Communication is necessary to issue directions by the top management or manager to the lower level. Employee can perform

better when he is directed by his senior. Directing others may be communicated either orally or in writing. An order may be common order, request order or implied order.

6. **For teaching:** The importance of personal safety on the job has been greatly recognized. A complete communication process is required to teach and educate workers about personal safety on the jobs. This communication helps the workers to avert accidents, risk etc. and avoid cost, procedures etc.

7. **For influencing:** A complete communication process is necessary in influencing others or being influenced. The individual having potential to influence others can easily persuade others. It implies the provision of feedback which tells the effect of communication.
8. **For image building:** A business enterprise cannot isolate from the rest of the society. There is interrelationship and interdependence between the society and an enterprise operating in the society. Goodwill and confidence are necessarily created among the public. It can be done by the communication with the different media, which has to project the image of the

   firm in the society. Through an effective external communication system, an enterprise has to

   inform the society about its goals, activities, progress and social responsibility.
9. **For employees' orientation:** When a new employee enter into the organization at that time he or she will be unknown to the organization programs, policies, culture etc. Communication helps to make people acquainted with the co-employees, superior and with the policies, objectives, rules and regulations of the organization.
10. **Other:** Effective decision-making is possible when required and adequate information is supplied to the decision-maker. Effective communication helps the process of decision making. In general, everyone in the organization has to provide with necessary information so as to enable to discharge tasks effectively and efficiently.

Effective communication is important in a business setting because of the following reasons:

1. **It helps organizations achieve their goals.** So important is communication that without it an organization cannot function. Its activities require human being to interact, react – communicate. They exchange information, ideas, plans, order needed supplies, make decisions, rules, proposals, contracts, agreements. Both within (internal) and outside the organization (external) communication –oral or written- is its lifeblood. A

vital means of attending successfully to matters of company concern is through effective internal communication. It helps increase job satisfaction, productivity, safety, and profits as well as decrease absenteeism, grievances, and turnover. Messages to persons outside the company can have a far-reaching effect on its reputation and ultimate success.

2. **Businesses growth in size:** large businesses have a number of branches within a country or even abroad. For their health and growth, it is extremely important that the central organization maintains a thorough and up-to-date knowledge of the various activities at the branch offices, keeps the branch offices well acquainted with the activities at the center, and maintain some kind

of link among the various branches. This calls for effective and efficient network of communication.

3. **Complexity of business activity***:* business activities have become extremely complex that different departments handle specialization, planning, production, sales, stores, advertising, financing, accounts etc. Thus, if these departments do not communicate with one another as well as with management, there will be no coordination among them.
4. **Business Competition***:* business has become very competitive such that products of common consumption are available in the market in dozen of brands. All these brands do not sell equally well. Marketing research has revealed that firms that communicate better can also sell better.
5. **A valuable job requirement***:* if you can communicate effectively in speaking and writing, you have an important, highly valued skill. Especially if your career requires mainly mental rather than manual labor, your progress will be strongly influenced by how effectively you communicate your knowledge, proposals, and ideas to others who need or should receive them. Preference for communication skills is found in the job descriptions listed by numerous companies wishing to employee college graduates.

   Some of these requirements could be:

   i. Must be able to communicate with all levels of management
   ii. Needs ability to compose effective correspondence
   iii. Must have ability to communicate and sell ideas
   iv. Will prepare special analyses, research reports, and proposals

Job and career opportunities in which effective communication is the main responsibility are available in various areas, such as customer relations, labor relations, marketing, personnel, public relations, sales, teaching, etc. Also, technical and scientific fields need editors, producers, researchers, and writers. Communication skills are also important in local, state, and federal governments. Even when your work is mainly with figures, as in the accounting profession, the ability to communicate to those who read your financial reports is essential.

6. **An essential for promotion***:* the requisite for a promotable executive is ‘ability to communicate.’

The ability to write and speak well becomes increasingly important as you rise in an organization. Too often those who cannot communicate effectively in either oral or written communications remain ‘buried’ in lower, dead-end jobs. Members of management spend 60 to 90 percent of their working days communicating, speaking, writing, and listening. Many surveys and articles have

confirmed the statement that effective communication is essential for success and promotion in business.

As a trainee on a new job, you have opportunities to speak about problems with co-workers and to submit memos, reports and letters that test your ability to communicate clearly and quickly. A frequent complaint of managers is the inability of college graduates to make them heard, read or understood. Your messages can reveal how well you are doing a job, and they help management to evaluate your fitness for a substantial promotion. For example, imagine that you are one of several highly trained employees in an organization that requires everyone to submit frequent oral and written reports to clients or company personnel. If there is an opening for promotion and you each rate about the same except that you alone can write and speak effectively, then clearly you have the advantage over the others.

***7.* It helps to meet personal responsibilities:** people put things in writing to create a record, to convey complex data, to make things convenient for the reader, to save money, and to convey their own messages more effectively. Effective communication- written and spoken- also helps you to better accomplish various aims in your personal activities. You will sometimes need to write letters, proposals or reports, or to present your views orally as committee chairperson, club officers, etc. In these roles you might communicate with public officials, business, industrial, or professional people; or personal friends. Whatever your purpose, you will usually achieve them more effectively when you apply the same skills that help you communicate effectively in business.

1.2.2 Significance of communication

Activity

1. What are the basic significances of communication?

The term business communication is used for all messages that we send and receive for official purpose like running a business, managing an

organization, conducting the formal affairs of a voluntary organization and so on. Business communication is marked by formality as against personal and social communication. The success of any business to a large extent depends on efficient and effective communication. It takes place among business entities, in market and market places, within organizations and between various group of employees, owners and

employees, buyers and sellers, service providers and customers, sales persons and prospects and also between people within the organization and the press persons. All such communication impacts business. Done with care, such communication can promote business interests. Otherwise, it will portray the organization in poor light and may adversely affect the business interest. Communication is the life blood of any organization and its main purpose is to effect change to influence action. In any organization the main problem is of maintaining effective communication process. The management problem generally results in poor communication. Serious mistakes are made because orders are misunderstood. The basic problem in communication is that the meaning which is actually understood may not be what the other intended to send. It must be realized that the speaker and the listener are two separate individuals having their own limitations and number of things may happen to distort the message that pass between them. When people within the organization communicate with each other, it is internal communication. They do so to work as a team and realize the common goals. It could be official or unofficial. Modes of internal communication include face-to-face and written communication. Memos, reports, office order, circular, fax, video conferencing, meeting etc. are the examples of internal communication. When people in the organization communicate with anyone outside the organization it is called external communication. These people may be clients or customers, dealers or distributors, media, government, general public etc. are the examples of external communication.

1.3 Nature and Development of communication

1.3.1 Nature of Communication

Activity

1. When do we say that communication exists?

There are many ways of communicating and many times what we hear is not

what the other person said, and consequently, what we say frequently can be interpreted in an entirely different manner by the listener. Generally, communication is said to exist when:

- There is a person (sender or transmitter) desirous of passing on some information.
- There is another person (receiver) to whom the information is to be passed on.

- The receiver partly or wholly understands the message passed on to her/him.
- The receiver responds to the message; i.e. there is some kind of feedback.

Communication cannot exist in the absence of any of these four components. It is said to exist when there are at least two parties and there is a message (either oral or written) that is intended to be communicated. Communication further requires that the receiver of the message understands it and conform this by nodding or by giving some kind of gesture or by verbally responding.

For example, let's say that your professor is writing the answer to a complex mathematical problem on the chalkboard, but offers neither a verbal explanation for how he arrived at the answer nor the opportunity for questions. In this instance, the professor has sent a message (via chalkboard);
however, the chances are very good that many students do not fully understand what the message means. Thus, communication has not taken place. Therefore, communication is a process of 'sharing'
rather than simply sending information.

1.3.2 Development of Business Communication

In the past so many years, office technology has improved, and with it has come an array of developments that make business communication easier, faster, and less costly than before. Office technology permits information to be produced quickly and easily. For example, a typist using personal computer as a word processor can produce in one hour a greater number of typed paged with fewer errors than a typist working with a standard electric typewriter. Moreover, if changes have to be made, the computer-generated pages can be modified by adding, deleting, or rearranging material without having to retype everything. Information analysis & data retrieval have been made simpler &
faster through modern office technology. Hence, technology plays a crucial role

in the operation of today’s’ modern offices.

Technology can help us reduce the time spent creating various businesses documents, as well as enhance our ability to create professional-looking documents that will get attention from others. In addition, technology facilitates the nearly instantaneous transmission of written and electronic communication using duplicating machines and electronic mail.

Some of the communication technologies include:

- Computers
- Fax machines
- Scanners
- Satellite networks
- Telephone (voice mail, cellular phones, pagers)
- Telecommunication (electronic mail, video conferencing, on-line information services)
- Copiers
- Software

1.3 Communication Theories

"Communication is the production and exchange of information and meaning by use of signs and symbols. It involves encoding and sending messages, receiving and decoding them, and synthesizing information and meaning. Communication permeates all levels of human experience and it is central to understanding human behavior."

Theories of communication are actually is not something new that came into picture in twentieth century. In the history of philosophy, Aristotle first addressed the problem of communication and attempted to work out a theory of it in The Rhetoric. Aristotle represented communication as might an orator who speaks to large audiences. Although His model incorporates few elements.

Mass communication research was always traditionally concerned with political influence over the mass press, and then over the influences of films and radio. The 1950s was fertile for model-building, accompanying the rise in sociology and psychology. It was in the USA that a science of communication was first discussed

The earliest model was a simple sender-channel-message-receiver model. Modifications added the concept of feedback, leading to a loop.

The next development was that receivers normally selectively perceive, interpret and retain messages.

“The most important thing in communication is to hear what isn't being said.” Peter Drucker
(1909 - 2005)

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signs and symbols. It involves encoding and sending messages, receiving and decoding them,
and synthesizing information and meaning. Communication permeates all levels of human experience and it is central to understanding human behavior.”

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Chapter Summary

- The word “communication” derived from the Latin word ‘communicare’ that means to impart, to participate, to share or to make common.
- Communication is the life blood of the business. No business can develop in the absence of effective communication system.
- Communication is the mortar that holds an organization together, whatever its business or its size.
- *Some of Purposes of communication,* for instruction ,for integration, for information, for evaluation ,for direction for teaching & for influencing *e.t.c*
- Some of the communication technologies may include: ,Computers, Fax machines, Scanners .Satellite networks ,Telephone (voice mail, cellular phones, pagers),Telecommunication (electronic mail, video conferencing, on-line information services) ,Copiers & Software.

Check list

Dear students tick “yes” or “no” to the following self-check items. If your answer to any one of the items is “no”, please go back and read the specific section again.

Number	Can you	Yes	No
1	Define the meaning, concept of Communication		
2	Explain the importance of communication in Business	☐	☐
3	understand nature and development of Communication	☐	☐

Chapter I: Summary Questions

1. Effective Communication is important in a **a.** It helps organizations achieve their goal **b.** Business growth in size

c. Business competition
d. A valuable job requirement **e.** All

2. How do you define communication?

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3. What is the role of communication in management of business?

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4. What are the different purposes of communication? Briefly explain any five of them.

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5. Discuss the different situations when the communication exists.

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6. “Communication is an exchange of facts, ideas, opinions and emotions by two or more persons.” Explain the statement and discuss the role of feedback in communication.

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7. Discuss the elements of communication process.

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