# **What is a Business Letter?**

A Business Letter is type of letter which serves as a means of communication written for various commercial purposes. These purposes can be a business deal, complaint, warning, notice, invitation, declaration, information, apology and various other corporate matters. Letters of business are the most popular and the most widely written types of letters. Business letters are also the **oldest form of official correspondence** and perhaps the propagators of mailing system. **A Business Letter is also known as Professional Business Letter**.

## **Types of Business Letters**

Business Letters are basically of Two Types:

1. **Formal Business Letter –**Formal business letters are the typical or standard business letters meant for legal or official correspondence. These include letters regarding business deals, order, claim, dispute settlement, agreements, information request, sales report and other official matters.
2. **Informal Business Letter –**Informal Business Letter has a laid back approach. It is used for casual correspondence but doesn’t necessarily has to have a casual tone of language. These letters include memorandums, appraisals, interview thanks, reference letters, cover letter, customer complaint letters, e-mails and others which are less important or regular.

Depending upon the client, content, motive and other factors, Letters of Business can be further subdivided into:

* Application Letter
* Acceptance Letter
* Customer Claim Response Letter
* Demand Letter
* Information Request Letter
* Information Response Letter
* Job Applicant Not Hired
* Letter of Complaint
* Letter of Intent
* Notification of Error Letter
* Order Request Letter
* Resignation Letter
* Resume Cover Letter
* Reception of Gift Letter
* Recommendation Letter
* Sales Letter
* Thanks for Job Recommendation Letter

### **Parts of a Business Letter**

Like most of the letters a business letter also has a layout which includes various divided parts. These parts are:

**Letterhead** – A letterhead is topmost heading printed on letter paper. The heading consists of name, address generally accompanied by a logo of the organisation. Most professional firms have their own pre-designed letterhead. Pre printed Letterheads showcase the repute of a company; in terms that that company can afford to have these and is not miser in using some extra ink. However smaller firms may not have it. They use their name, address where the letterhead would be placed.

**Date** – The date has to written exactly below the letter head. The date is important part of a letter and is used for reference. The date is supposed to be written in full with day, month and year. Example – 31stMay 2012 or May 31st, 2012

**Recipient** – Recipient or Receiver's name and Address is next part of a business letter. This part included the Name of the Receiver, his Designation and Full address inclusive of phone and email.

**Salutation** – Salutation is word of greeting used to begin a letter. It is courteous gesture and shows respect to the receiver. Dear Sir / Madam etc. are specifically known as Opening Salutation.    
 **Body** – Body is the main part of the letter. The message of the letter is to be clearly mentioned in the first line, itself. The body has the relevant subject matter which is to be divided into a number of paragraphs, mostly 3-4 or more depending upon the matter. If there are instructions etc. these are to be in a bulleted or numerically listed in separate lines. The Last Paragraph should sum up the whole letter and offer any assistance or take a course of action as required or instructed.    
  
**Closing (subscription)** – Closing refers to the end of the letter. It is courteous and shows a mark of respect towards the recipient. Yours Sincerely or Sincerely etc. are specifically known as Closing Salutations.   
  
**Signature** – Sign your name after a few spaces. If you have your Printed Name, then sign above the line containing your typed name. Signature is to written in Black or Blue Ink. If you have an electronic signature you can use that too. Scanned image of your signature can also be used, if it confers with rules of your organisation.   
   
**Sender’s Name, title and contact information** – If not provided in the letterhead, one can include his Name, Title, Address, Phone, Email etc. in separate lines.

**Enclosure** – If you have attached some documents, Type Enclosures few lines after the Signature of Senders Info. Provide the number and type of documents attached e.g. ‘Enclosures (2): brochure, resume’.

**Business Letter Styles**

There are Four Styles, or Indentation Formats used for writing business letters.

|  |
| --- |
| **Full Block Style** – Block letter format is commonly used to correspond between businesses and between individuals and businesses. Its main purposes are to inform, request or register a complaint.  In full block format letter:   * All the text is aligned to the left margin * All lines are left justified * Paragraphs are not indented * Paragraphs are separated by double or triple spacing * Everything is followed by a single blank space in most case but there are exceptions: three or four spaces follow the date; two spaces follow the body; three or four spaces after the closing (enough room for a signature); and two blank lines after the sender's title * There is no punctuation in the addresses * There is a comma after the greeting, although some in the U.S. prefer a colon * The closing is also followed by a comma |
| **Semi-Block** **Style** – Semi-Block letter format is as mentioned, has partial formatting of a full block style.  In Semi-Block Format Letter:   * All text is aligned to the left margin * Paragraphs are indented |
| **Modified Block Style** – Modified block format is a conventional way of writing formal business letters. Its format is applicable to both print and email correspondence. Its main purposes include cover letters, thank you letters, letters of resignation and sales letters.  In Modified Block Format Letter:   * All text is aligned to the left margin, except for the author's address, date, and closing * Paragraphs are not indented * The author's address, date, and closing are usually indented three inches from the left margin, but can be set anywhere to the right of the middle of the page, as long as all three elements are indented to the same position. |
| **Modified Semi-Block Style** – In modified semi-block format there are partial elements of modified block style.  In Modified Semi-Block Format Letter:   * All text is aligned to the left margin, except for the author's address, date, and closing * Paragraphs are indented * The author's address, date, and closing are usually indented in same position |

## **Tone in Business Writing**

#### What is Tone?

"Tone in writing refers to the writer's attitude toward the reader and the subject of the message. The overall tone of a written message affects the reader just as one's tone of voice affects the listener in everyday exchanges". Business writers should consider the tone of their message, whether they are writing a memo, letter, report, or any type of business document. Tone is present in all communication activities. Ultimately, the tone of a message is a reflection of the writer and it does affect how the reader will perceive the message.

**How can I make sure my messages have the appropriate tone?**

The writer should consider several things when preparing to write. The following questions will help you to determine the appropriate tone for your message.

1. Why am I writing this document?

You should take time to consider the purpose of your document in order to determine how you should express the message you wish to convey. Obviously, you want the message to reach your audience, and you will probably want the reader to take some action in response to your message.

**For example:**

Suzy is writing a job acceptance letter to an employer but is unsure of the tone she should take in the message. She has decided to accept the position. When she asks herself, "What is my intent upon writing?" she answers, "I want to accept the position, thank the company for the offer, and establish goodwill with my new co-workers." As she writes the letter she quickly assumes a tone that is appreciative for the offer and enthusiastic about beginning a new job.

1. **Who am I writing to and what do I want them to understand?**

Who is your audience? Whether it is an employer or a fellow worker, it is essential that you consider your reader before writing any document. Your message will be much more effective if you tailor the document to reach your specific audience. The message you wish to express must be written in a way that will effectively reach the reader.

#### What kind of tone should I use?

Fortunately, you can use the same kind of tone for most business messages. "The business writer should strive for an overall tone that is confident, courteous, and sincere; that uses emphasis and subordination appropriately; that contains nondiscriminatory language; that stresses the "you" attitude; and that is written at an appropriate level of difficulty" (Ober 88). The only major exceptions to these guidelines are when you need to write a negative business message, such as when you deny a job offer or a customer request.

Here are some general guidelines to keep in mind when considering what kind of tone to use in your letters and how to present information in that tone:

**3.1 Be Confident**

You can feel confident if you have carefully prepared and are knowledgeable about the material you wish to express. The manner in which you write should assume a confident tone as well. As you prepare business documents, you want the reader to do as you ask or to accept your decision. In order to make the document effective, you must write confidently.

Consequently, a confident tone will have a persuasive effect on your audience. The reader will become more inclined to accept your position, and will notice the confidence that you have. Employers are inclined to hire individuals that appear confident and sure of their abilities.

This does not mean however; that you should appear overconfident. This can easily be interpreted as arrogant or presumptuous.

For example:

**Not:** You must agree that I am qualified for the position.  
**But:** My qualifications in the areas of accounting and customer service meet your job requirements.

Be Courteous and Sincere

A writer builds goodwill for him or herself by using a tone that is polite and sincere. It is important to strive for sincerity in tone because without sincerity, politeness can sound condescending

Consider the words and phrases you use in your document and how your reader will likely receive them. If you are respectful and honest, readers will be more willing to accept your message, even if it is negative.

For example:

**Not:** You didn't read the instructions carefully, thus your system has shut down.  
**But:** The system may automatically shut down if any installation errors occur.

**3.2 Use Appropriate Emphasis and Subordination**

You can help your readers to understand which of your ideas you consider most important by using emphasis and subordination. You can choose from a variety of strategies to emphasize an idea or to subordinate it.

To emphasize an idea, place it in a short sentence. A short and simple sentence will most effectively convey an important idea. You can provide further explanation, sufficient examples, or evidence in following sentences. To subordinate an idea, place it in a compound sentence.

**Emphasis:** Smoking will no longer be permitted in the building. The committee on employee health and safety reached this decision after considering evidence from researchers and physicians on the dangers of second-hand smoke.

**Subordination:** The committee on employee health and safety has finished considering evidence, and they have reached the decision that smoking will no longer be permitted in the building.

Ideas placed in the first paragraph of a document or message receive the most emphasis, followed by information placed in the last paragraph. You can subordinate an idea by placing it in middle paragraphs of your message because these paragraphs receive the least emphasis.

Use active voice to emphasize the person or thing performing an action and passive voice to emphasize the action that is being performed.

**Active:**Scientists have conducted experiments to test the hypothesis.

**Passive:** Experiments have been conducted to test the hypothesis.

3.3 **Use Nondiscriminatory Language**

Nondiscriminatory language is language that treats all people equally. It does not use any discriminatory words, remarks, or ideas. It is very important that the business writer communicate in a way that expresses equality and respect for all individuals. Discriminatory language can come between your message and your reader. Make sure your writing is free of sexist language and free of bias based on such factors as race, ethnicity, religion, age, sexual orientation, and disability.

* Use neutral job titles

**Not:** Chairman  
**But:** Chairperson

* Avoid demeaning or stereotypical terms

**Not:** After the girls in the office receive an order, our office fills it within 24 hours.  
**But:** When orders are received from the office, they are filled within 24 hours.

* Avoid words and phrases that unnecessarily imply gender.

**Not:** Executives and their wives  
**But:** Executives and their spouses

* Omit information about group membership.

**Not:** Connie Green performed the job well for her age.  
**But:** Connie Green performed the job well.

* If you do not know a reader's gender, use a nonsexist salutation.

**Not:** Dear Gentlemen:  
**But:** To Whom it May Concern:

* do not use masculine pronouns.

**Not:** Each student must provide his own lab jacket.  
**But:** Students must provide their own lab jackets. Or Each student must provide his or her own lab jacket.

**3.4 Stress the Benefits For the Reader**

Write from the reader's perspective. Instead of simply writing from the perspective of what the reader can do for you, write in a way that shows what you can do for the reader. A reader will often read a document wondering "What's in it for me?" It is your job to tailor your document accordingly.

**Not:** I am processing your order tomorrow.  
**But:** Your order will be available in two weeks.

Stressing reader benefits will help you to avoid sounding self-centered and uninterested.

**3.5 Write at an Appropriate Level of Difficulty**

It is essential that you write at an appropriate level of difficulty in order to clearly convey your message. Consider your audience and prepare your writing so that the reader will clearly understand what it is that you are saying. In other words, prepare your style of reading to match the reading abilities of your audience. Do not use complex passages or terms that the reader will not understand. Accordingly, do not use simple terms or insufficient examples if the reader is capable of understanding your writing. A competent writer will match the needs and abilities of their reader and find the most effective way to communicate with a particular reader.

1. **What kind of tone should I use with a negative message?**

It is especially important to consider tone when you are writing a negative message. In a negative message, such as a document that rejects a job offer or denies a request, be sure to assume a tone that is gracious and sincere. Thank the reader for their input or involvement and carefully state that you cannot comply with their wishes. Follow this response with an explanation as necessary.

It is best not to draw attention to the person performing the action that will likely displease the reader. Therefore, you may want to avoid using active voice when delivering negative messages. You might also avoid stressing the reader benefits unless there are clear benefits to the negative message. It can sound insincere to stress reader benefits in a negative message.

**Not:** Thank you for offering me the position as General Manager at Simon's Inc. Unfortunately, I am unable to accept the position. I did not think that the position you offered me would utilize my communication and customer-service skills to the degree that I wanted. Therefore, I have accepted a position as Assistant Director at a different company  
**But:** Thank you for offering me the position as General Manager at Simon's Inc. I appreciate your prompt and generous offer. Unfortunately, I am unable to accept the position. I have accepted a different position that will allow me to utilize my communication and customer-service skills.

In some negative messages, you may need to address faults or issues concerning an individual. When writing messages such as this, maintain a professional tone that does not attack the individual but that makes your position on the issue clear.

For example:

**Not:** I do not understand why you made such discriminatory remarks.  
**But:** Discriminatory remarks are not tolerated in this organization.

For more information about tone, see: Ober, Scott. Contemporary Business Communication. 2nd Edition. Boston: Houghton Mifflin, 1995.

# **Differences between Official Memos and Circulars – A Managerial Perspective**

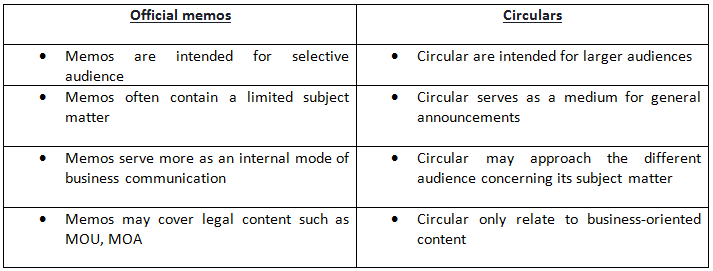
There are numerous types of business communication varying on their purpose, whether it’s internal or external communication. It influences the ways businesses communicate within and also with other channels to share information. There are various forms of it such as memos, circulars, annual reports, news release etc. all of these have their importance and play an essential role in the stability of a business.

## **What is a memo?**

A memorandum, generally known as a memo, can be defined as a brief message or record used for internal communication in any organization. They can be used to easily and quickly communicate a targeted number of audiences about an important announcement or change in policy. It may also communicate procedure amendments, price increase, reminders for teams, summaries of agreement terms, etc.   
They serve their purpose by notifying the audience about the information or asserting them on call to action such as attending a meeting or applying a change in the manufacturing process. Apart from the purpose they serve, they are highly effective in connecting the writer with reader.

## **What is a circular?**

Circulars can be termed as those letters which are circulated to a larger group of people at the same time. It conveys a specific message or a guideline to be observed in the future. It is a direct and lucrative approach of delivering information which assurance that it will be received by every recipient simultaneously. The main objectives of these circulars are business issues and emphasize more attention to be sought by the management of a business.   
The use of a circular always in a business aspect is considered to convey information among organization such as an intra-department conversation. It is regarded as an effective tool of business communication as it disperses a message to a large group concurrently.

These two modes of business communication somewhat differ in terms of the subject matter involved and the way these messages are distributed to its intended audience. The difference between official memos and circular in regards to a managerial perspective clearly defines the style, purpose and target audience of both. It can be summarized as below:   


## Sample of circular instructing employees to report on time

**Here is a sample of circular which gives a general idea about its in business. This fictitious circular is from HR department instructing the employees of the production department to be punctual as the number of late reporting gets high.**

Date: September 18, 2019   
To: Production department   
From: HR department   
Subject: instructions about reporting on time   
It is noticed in the past month that the number of employees of production department reporting late at work has significantly increased. Hence, it is intimated to the entire department to be on time. The entry time at the factory must be sharp 8 am, a grace time of 5 minutes is allowed. We hope that the entire department will follow the punctuality of time.   
Regards,

## **Sample of an official memo about a meeting**

 To better understand the concept of an official memo, below is a sample regarding a call of meeting by a department manager to the respective team.

To: Inbound Marketing Team   
From: S.K. Mathew, Head of Marketing Department   
Date: September 18, 2019   
Subject: Monthly Performance Report   
As the month of August has ended, let’s plan a team meeting about the monthly performance report regarding the targets achieved and areas to work on. Please be prepared with the sales figures, feedback of customers and new customers lead.  
Looking forward to a constructive outcome from this meeting,   
Regards

### Introduction to Communication:

#### Nature and Characteristics of Communication:

Communication is a two-way traffic. Not only the management communicates the messages and decisions to the Sub-ordinates but Sub­ordinates too can communicate their problems, demands, report of job performance etc. to the management. So it is a process of interacting and understanding each other in the organisation. It is a continuous process in management. Hence, managers at all levels and in all departments must communicate to keep the wheels of operations running smoothly. **By the analysis of the above definitions, we find the following Characteristics:**

1. It is a cooperative process involving two parties, one who transmits called communicator and one who receives the message called communicate.

2. It is conveyed through various media like speech, writing, painting etc.

3. It lasts as long as the other person understand the idea what of what is being communicated or being received.

4. It is a continuous process.

5. It aims at achieving the objectives of organisation by creating right type of responses.

6. It provides for understanding between persons and thus makes a bridge of meaning between people.

7. It is a pervasive function means vital to all managerial functions.

8. It may travel from up and down and from side to side.

9. It motivates and increases the morale of workers.

### 3. Objectives of Communication:

A management depends on Communication to achieve organizational objectives. Since managers work through others, all their acts, policies, rules, orders and procedures must pass through some sort of Communication channel.

**The objectives of communication are:**

(i) To develop information and understanding which are necessary for group effort;

(ii) To foster an attitude which is necessary for Motivation, Cooperation and job Satisfaction?

(iii) To discourage the spread of mis-information, rumours, gossip and to release the emotional tensions of workers;

(iv) To prepare workers for a change by giving them the necessary information in advance.

(v) To encourage ideas, suggestions from sub-ordinates for an improvement in the product and work conditions, for a reduction in the time or cost involved and for the avoidance of the waste of raw material;

(vi) To improve labour-management relations by keeping both in contact with each other.

(vii) To ensure such free exchange of information and ideas as will assist all the employees in understanding and accepting the reasonableness of the status and authority of everyone in the organisation;

(viii) To satisfy such basic human needs as the needs for recognition, self-importance and a sense of belonging;

(ix) To serve auxiliary functions such as entertainment and the maintenance of social relations among human beings.

In brief, a good Communication system not only ensures the transmission of information and understanding among individuals and groups, but unifies group behaviour, which provides the basis for continuing group co-operation. The efficient functioning of any organisation depends on how well its Communication Channels operate.

### 6. Dimensions of Communication:

Formal channel of communication is multi-dimensional. Information flows in different directions.

**The various directions or dimensions of communication are as follows:**

#### (i) **Downward Communication:**

Downward communication means flow of information from higher levels to lower levels in the organizational hierarchy. Information flows from top-most authority to the bottom­most persons (workers) through various levels. This flow of information generally prevails where autocratic style of management is dominant.

**Contents of Information:**

**The following information generally flows in downward direction:**

i. How to do a job.

ii. Rationale for doing those jobs.

iii. Policies and practices of organisation.

iv. Performance level of employees.

v. The need to develop a sense of mission.

**Forms of Downward Communication:**

Downward communication can be oral or written. Oral communication can be through speeches, telephone, face-to-face interaction or meetings. Written communication takes place through letters, hand books, pamphlets, posters, bulletins, annual reports, policy statements, notices, circulars etc. Written form of downward communication is used when confidential matters are to be reported which requires documentary evidence.

**Merits of Downward Communication:**

**Downward communication has the following merits:**

i. It provides information regarding organizational plans and policies.

ii. It informs employees about the rationale of organizational goals and how they can coordinate these goals with personal goals.

iii. It enables employees to know their area of discretion. They know what is expected of them and perform within those constraints.

iv. It increases job satisfaction and morale of employees to perform better.

**Limitations of Downward Communication:**

**Downward communication suffers from the following limitations:**

i. Information distortion – In large-sized organisations, information flows through a number of levels. It is possible that by the time it reaches the lowest unit in the organizational hierarchy, the message received is different from what is sent. The message is screened at various levels.

ii. Information gaps – Oral information often gets lost in transit. A part of the information is retained at some level and gets filled by some unintended information at another level. Messages are encoded and decoded according to people’s perception. Researches have shown that in some cases, information upto about eighty per cent gets lost on the way.

iii. Time consuming – If organizational hierarchy has too many levels, it takes time for information to reach the person concerned. Sometimes, information reaches after the desired action has already been taken.

iv. Incomplete transmission – Sometimes, managers withhold part of the information and transmit incomplete information so that subordinates remain dependent upon them for information.

Employees cannot perform effectively with incomplete information. This may affect superior-subordinate relationships.

These limitations do not undermine the importance of downward communication. Proper feedback of information from lower to higher levels can help managers overcome the limitations of downward communication.

#### (ii) **Upward Communication:**

Flow of information from lower levels to higher levels is known as upward communication. Employees respond to managers’ directions and instructions through upward communication. This flow of communication is suitable where democratic or participative style of management is prevalent.

**Contents of Information:**

**The following information generally flows in upward direction:**

i. Reports about subordinates’ work, achievements, progress and future plans.

ii. Subordinates’ work problems which need the assistance of supervisors.

iii. Ideas or suggestions offered by subordinates to improve the working of any unit or organisation as a whole.

iv. Subordinates’ perception about their work, work environment and co-workers.

**Forms of Upward Communication:**

Upward communication can take place through media like suggestions, appeals, meetings, grievance procedures, open door policy (subordinates can approach top managers directly by-passing some of the hierarchical levels), complaint system, questionnaires, group meetings etc.

**Merits of Upward Communication:**

**Upward communication has the following merits:**

i. Managers receive feedback from lower levels that helps in carrying out the controlling function.

ii. It helps in knowing attitude of employees towards corporate goals and plans for effective implementation of plans.

iii. It increases employees’ morale and motivation to work. When employees know their grievances, ideas and suggestions are considered by top managers, they feel morally committed to their work.

iv. It provides managers with creative ideas and suggestions from subordinates.

v. It strengthens superior-subordinate relationships and creates harmonious industrial relations.

vi. It overcomes resistance to change on the part of employees as they can present their fears and apprehensions upwards.

**Limitations of Upward Communication:**

**Upward communication suffers from the following limitations:**

i. Filtration – As in downward communication, substantial part of information gets filtered when it flows upward. In upward communication, each subordinate level filters that part of information which may present unfavourable picture to the superiors.

ii. Time consuming – Too many levels in the official chain of command delay transmission of information.

iii. Fears and apprehensions – Subordinates do not always report the matters upward the way they want. When they know that the news is not what the boss wants to hear, they do not transmit it at all. They may even distort or edit the information before transmitting it upwards. Thus, the information passed is not what is true but what the boss wants to hear.

iv. Attitude of superiors – Sometimes superiors do not listen to the juniors. Most of what is said by lower levels goes unheard at the top levels. The very purpose of upward communication, in such cases, gets defeated.

v. Low effectiveness – When employees approach top managers by-passing some links in the scalar chain, it avoids filtration of information but those who are surpassed may feel morally affected. This strains the superior-subordinate relationships and hampers the effectiveness of further transmission.

Upward communication is an effective dimension of communication. Managers must improve the upward flow of interaction. They should be willing to listen to employees. They should specify the type of information that should flow upwards. Every matter should not be reported to top managers. Only important information that needs their attention and action should flow upwards. Informal channels of communication can increase the efficiency of upward communication.

Use of suggestion schemes, grievances procedures, periodic reports, committees, open door policy etc. are helpful in this regard.

#### (iii) **Horizontal or Lateral Communication:**

Flow of information amongst people at the same level is known as horizontal communication. It is interaction amongst peer groups. Most common horizontal communication is communication between functional heads. Marketing manager and production manager constantly interact with each other to coordinate demand with production schedules.

**It takes place between:**

i. Members of a particular work group.

ii. Members of different work groups.

iii. Members of different departments operating at the same level.

iv. Members of line and staff.

It does not follow the official chain of command but cuts across it.

**Objectives of Horizontal Communication:**

**Horizontal communication serves the following purposes:**

i. It coordinates work assignments carried out by different departments.

ii. It helps to share information about organizational plans and policies.

iii. It helps to solve organizational problems.

iv. It develops common understanding amongst all the organizational members.

v. It conciliates, negotiates and arbitrates differences arising on account of cultural and attitudinal factors amongst employees.

vi. It develops interpersonal support amongst people of different units.

**Forms of Horizontal Communication:**

Horizontal communication can be oral and written. Oral communication takes place amongst people of the same level—when they meet during lunch break, after office hours, discussions in meetings and conferences or talk over telephone. Written communication takes place through reports, bulletins, boards, letters, memos, reports etc.

**Merits of Horizontal Communication:**

**Horizontal communication has the following merits:**

i. It helps to review activities assigned to people working at identical positions.

ii. It speeds up the flow of work.

iii. It facilitates problem-solving amongst members at their level and integrates the work.

iv. It develops trust and confidence amongst people of different departments.

v. It provides job satisfaction to employees and boosts their morale to improve performance.

vi. It relieves top managers of the burden of solving problems at the work place, if workers can solve them on their own. It, thus, settles inter-departmental and intradepartmental differences at the place of origin.

vii. It solves common problems of people and creates teamwork.

**Limitations of Horizontal Communication:**

**Horizontal communication suffers from the following limitations:**

i. Personal biases – Personal likes and dislikes amongst members of work groups can obstruct free flow of information.

ii. Specialisation – In the modern era, functional heads are highly specialized in managing activities of their departments and they lack specialised knowledge of other functional areas. This affects communication at the horizontal level. For example, marketing manager may not be knowing much about sources and uses of funds, financial management and capitalization. He will not be able to effectively communicate with the finance manager on matters related to finance.

iii. Perceptions and attitudes – Differences in perceptions and attitudes of functional heads can be counter-productive in horizontal communication. Functional managers may look at the same problem from different angles. If CEO of the company directs functional heads to cut down costs, finance managers may want marketing manager to cut selling costs, while marketing manager may want production manager to cut production costs. Inter-departmental conflicts can arise and the objective will not be achieved.

These problems should be overcome by supporting heads and members of various work groups to promote healthy communication amongst them. While superiors allow information to flow horizontally in the organisation, they should ensure that subordinates do not violate the limits of authority. The subordinates should keep the superiors informed of whatever interaction takes place amongst the peer groups.

(iv) Diagonal or Cross-Wise Communication:

Flow of information amongst people of different departments at different levels is known as diagonal communication. When regional sales manager talks to workers of finance or production department, diagonal communication is said to have taken place. People who are generally not in contact, come close to each other through diagonal communication.

**Forms of Diagonal Communication:**

Diagonal communication can be oral and written. Oral communication takes place in meetings, conferences, project teams etc. Written communication takes place through magazines, bulletins, boards, notices, circulars etc.

**Merits of Diagonal Communication:**

**Diagonal communication offers the following merits:**

i. It increases efficiency and speed of work. People can directly talk to each other without following the formal chain of command.

ii. It boosts morale and commitment of employees to work as they can directly talk to the managers.

iii. It coordinates the activities of various departments as they can interact with each other.

iv. It provides job satisfaction to employees.

**Limitations of Diagonal Communication:**

**Diagonal communication suffers from the following limitations:**

i. Violation of chain of command – Information cuts across all levels and all departments. There is complete violation of chain of command.

ii. Attitudinal problems – When manager of sales department talks directly with workers of production department, production manager may feel offended about the same. This can affect relationship with workers of his department.

Diagonal communication increases the efficiency of organizational activities as every information cannot be passed through vertical lines of communication. Best use of diagonal communication can be made when cross relationships are cordial and subordinates keep the line superiors informed of their interactions with people of other departments.

### 7. Process of Communication:

**The communication process consists of the following elements:**

1. Sender – Sender or Communicator is the person who sends a message or idea. He is the source and initiates the process of communication. Sender may be a speaker, a writer or an actor.

2. Message – Message is what is conveyed by the sender. It consists of words, facts, ideas and opinions, etc. it is the subject – Matter of communication.

3. Encoding – It is the use of appropriate verbal or non-verbal language for transmitting the message. In order to transmit the idea, the sender translates the idea into a language (words, symbols, gestures) known to both the parties.

4. Channel – It is the medium or route through which the message is passed from the sender to the receiver. It may be face-to-face talk, telephone, letter, radio, television, etc.

5. Receiver – Receiver or communicatee is the person or group who is supposed to receive the message. He may be a listener, a reader or an observer.

6. Decoding – It means translating the message into words for the purpose of understanding. The receiver interprets the message to derive its meaning.

7. Feedback – It refers to reaction, reply, response, which the receiver sends to acknowledge his understanding of the message. It may consist of words, actions or facial expressions (e.g., nodding the head). When the sender receives the feedback, the process of communication is said to be complete.

### 8. Channels of Communication:

Communication channel is the path through which information flows from sender to receiver.

**Two main communication channels are:**

#### (i) **Formal Communication Channel:**

It is the official channel of communication controlled by managers in the official capacity. Official information and decisions follow this channel of communication. This channel is officially recognized by the organisation structure, follows the formal chain of command for passing information, suggestions, order etc. and defines authority-responsibility relationships amongst members of the organisation. It is a deliberately created path of communication. Information flow vertically, horizontally and diagonally along this path of communication through ‘proper channel’, that is, through various levels in the organizational hierarchy.

Vertical communication represents flow of information from one level to the other in the organizational hierarchy. It can be downward and upward. In downward communication, information flows from top managers to middle level managers, lower level managers, supervisors and workers. The information is related to goals, policies, directions, instructions etc. In upward communication, information flows from lower levels to higher levels. It relates to reports about subordinates’ work, achievements and progress, their work related problems, ideas or suggestions to improve the style of working etc.

Horizontal communication flows amongst people at the same level. It does not follow the official chain of command. When manager of marketing department discusses issues related to production and sale of goods with the manager of production department, it is said to be horizontal communication. Diagonal communication is similar to horizontal communication with the difference that it takes place amongst people of different departments at different levels rather than the same level.

**Merits of Formal Communication:**

**Formal communication channel has the following merits:**

i. Authenticity of information – It is an officially recognized path of communication and, therefore, whatever information flows in whatever direction (vertical, horizontal or lateral), it is presumed to be authentic.

ii. Larger geographical area – Large-sized organisations have branches spread over wide geographical areas throughout the country. Formal communication channels help in spreading information over wide geographical areas.

iii. Justify organizational hierarchy – Who is to receive information from whom, where, when and to what extent is clearly specified in the formal channels.

iv. Coordination – Formal channels coordinate working of all the functional areas and facilitate smooth functioning of the organisation.

v. Control – It helps in receiving right information at the right time and facilitates control of organizational activities.

vi. Filtering of information – Only important information which top managers must know flows to them. They do not have to, therefore, scan every information, relevant and irrelevant. This saves time which can be spent on strategic issues.

**Limitations of Formal Communication:**

**Formal communication channel suffers from the following limitations:**

i. Information distortion – When information passes through a number of levels, some of the information is lost in transit and gets filled by some unintended information. There can, thus, be information distortion. In some cases, information upto eighty per cent gets lost on the way.

ii. Time-consuming – As information passes through a number of levels, it is a time consuming channel of communication.

iii. Expensive – It is an expensive channel of communication as it requires lot of paper and administrative work.

iv. Lack of personal touch – People at the top and bottom communicate with each other through formal channels only. They do not get to talk to each other personally. Lack of personal touch restricts free flow of information in the organisation.

(ii) Informal Communication Channel:

It is an unofficial channel of communication arising out of socio-psychological needs of people to interact with each other. It is an important and spontaneous outgrowth of formal channels of communication. It emphasizes more on the person than position. It arises when people of common nationality, caste or religion interact with each other or when they share a car pool or meet each other regularly in canteens, libraries, bus stands, etc.

**Grapevine communication:**

It is an informal communication network where information flows freely throughout the organisation. Grapevine is the most common form of informal communication. It connects people throughout the organisation and transmits information in every direction – vertical, horizontal and diagonal. It cuts across formal positions and facilitates social, personal and psychological interaction amongst people. Though it travels faster than formal communication channel, it carries gossips and rumours along with factual, formal information.

**Features of grapevine communication:**

**Grapevine communication is characterized by the following features:**

i. It connects almost everybody in the organisation.

ii. It flows in every direction — vertical, horizontal and diagonal.

iii. It does not follow the official chain of command.

iv. It is a fast channel of communication.

v. It generally occurs at the work site, though it may occur outside the organisation also.

vi. It arises out of social and personal interaction amongst people in the organisation.

vii. It is based on people rather than task.

viii. It generally occurs orally.

ix. It occurs in various forms known as communication chains.

**Patterns of Grapevine Communication-Grapevine Communication Chains:**

Grapevine communication chain represents the pattern in which information flows in different directions. **Keith Davis identifies four types of communication chains:**

**1. Single-Strand Chain:**

In this chain, information passes from one person to the other in a sequential order. A tells something to B who tells it to C, C to D and so on till the information finally reaches the person concerned, say, J.

**2. Gossip Chain:**

In this chain, one person passes information to everyone else in the organisation. He is not selective about passing the information. This information is not related to work but is of interest to all.

**3. Probability Chain:**

In this chain, information is passed randomly by one person to others. These persons further pass information in the same random fashion. The information is not significant but is of interest to people.

**4. Cluster Chain:**

In this chain, one person passes information to selected few confidentially. Some of them keep the information to themselves and others pass it to other selected few whom they trust. Information of interest is transmitted further and rest is retained by members. It is the most common pattern of grapevine or informal communication.

**Merits of Grapevine Communication:**

**Informal or grapevine communication channel has the following merits:**

**i. Speed:**

Communication through this channel spreads fast as it does not follow any definite path. The moment someone comes to know of information that is ‘confidential’ or otherwise, it spreads like wild fire throughout the organisation. It is “just between you and me” is the basis of spreading information through grapevine.

**ii. Supports Formal Communication Channel:**

This channel is an important supplement to formal channel of communication. Whatever cannot be communicated through formal channel, because of time or official constraints and can be successfully transmitted through informal channels.

**iii. Nature of Information:**

Information about company’s history, moral values and traditions can be transmitted through informal channels better than formal channels.

**iv. Feedback:**

Managers can obtain feedback from subordinates regarding their directions, instructions, policies, decisions etc. through grapevine. Feedback through informal channel is faster than the formal channel.

**v. Human Relations:**

Since informal channels cut across official positions and hierarchical relationships, they develop healthy relations amongst people in the organisation.

**vi. Socio-Psychological Needs:**

This channel satisfies people’s social and psychological needs to interact with each other and share their joys and sorrows. It creates a sense of belongingness in the group and strengthens their group identity.

**Limitations of Grapevine Communication:**

**Informal communication channel suffers from the following limitations:**

i. Information distortion – Since flow of information is not based on facts, it may be misleading and distorted.

ii. Lack of authenticity – Informal communication is not authentic. Different people may interpret same information in different ways.

iii. Problems in fixing responsibility – Origin of information flow cannot be known in this channel. It is, therefore, difficult to fix responsibility for spreading false information.

iv. Incomplete information – Information filtration and distortion are the common features of informal communication. What is said by first sender may be different from what is received by the last receiver. There is, thus, incomplete transmission of information.

v. Lack of evidence – Informal communication spreads by word of mouth. It is not supported by written facts. This makes it often incredible or non-dependable.

Though informal channel has limitations, managers cannot eliminate it. It is an inevitable channel of communication. Managers should make proper use of this channel to achieve the formal goals. They can make use of this channel to receive feedback about organizational plans and policies and avoid spreading gossips and rumours in the organisation.

**How to Make Effective Use of Grapevine Communication?**

Since grapevine or informal communication channel cannot be eliminated, managers should use it effectively so that it helps in achieving the formal organizational goals.

**The following steps can help managers in this regard:**

1. Managers should informally inform employees about organizational goals, plans, policies, etc. besides communicating them through the formal channel. This will avoid spreading of rumours and gossips. While communicating with subordinates, managers should maintain closeness with them.

2. Enhance group discussions and activities so that people openly discuss the formal and informal problems.

3. Managers should fix some time, in a week or month, to personally meet the employees and discuss various formal and informal problems with them.

4. Managers should win the confidence of group leaders so that group goals are not contrary to individual goals.

5. As much as possible, decision-making should be participative in nature.

6. Managers should ask employees about the organizational plans and policies. Regular feedback helps to improve the organisational affairs.

7. Managers should be good listeners. If they want to be listened to, they must also listen to others.

### 9. Importance of Communication:

**Importance of communication could be brought into limelight, through the following points:**

#### (i) Communication is the Basis of Organizational Functioning:

Communication is the basis of organizational functioning. It is only when necessary communications are made to subordinates and operators; about their jobs that action on their part is possible. In fact, communication is the petrol which drives the vehicle of the organization.

#### (ii) Communication as an Aid to Planning:

Communication is an aid to the process of decision – making in general and planning, in particular. Any type of decision – making (including planning decisions) requires, among other things, basic information about the enterprise resources and limitations, and the external environmental factors; which must be supplied i.e. communicated to the management by suitable agencies. In fact, much of the accuracy of planning would very much depend on the accuracy of information communicated to the management, in this regard.

#### (iii) Communication as an Aid to Leadership:

Communication is very basic to the process of exercising interpersonal influence, through leadership. A leader communicates the objectives, policies, rules and procedures of the enterprise to followers and also communicates the necessary work-orders, instructions and guidance to them, for the proper execution of the intended jobs, to be performed by the group.

The members of the group i.e. followers would communicate their problems, needs and performance to the leader. The better is the communication system existing between the leader and his followers; the better are likely to be the results, produced by the group, during the process of exercising leadership.

#### (iv) Communication as an Aid to Coordination:

Coordination is greatly facilitated when persons doing similar work or related aspects of work, are in perfect mutual understanding with one another as to the manner and approach to work-performance.

Such mutual understanding among people interest, is largely an outcome of free communication allowed to exist among them; through which they can reconcile their differences and agree on a common approach to work performance. Hence, communication is a good and great aid to achieving co-ordination of individual efforts.

#### (v) Communication Helps Overcoming Resistance to Changes and Ensures Their Implementation:

People, in general, resist to changes when changes are either not properly communicated to them or the purpose behind introducing such changes is not explained to them. Through communication, the management can convince people of the desirability of introducing organizational changes, overcome resistance to them and prepare a base for their implementation.

#### (vi) Communication as the Basis of Good Human Relations:

Communication promotes good human relations, in the organizational life. Apparently communications transfer messages; while intrinsically it is transmission of understanding among the sender and the recipients of messages. A free flow of communication, through facilitating transmission of understanding, paves the way for the development of good human relations in the organization.

**In particular, communication helps to resolve differences; helps in redressal of grievances and becomes the basis for:**

I. Sound manager subordinate relations

II. Sound labor management relations

#### (vii) Communication Helps Building Good Public Relations:

Good public relations comprise relations of the enterprise with outside agencies, particularly consumers and the public at large. Many business enterprises, now-a-days, maintain a separate public relations department; which basically entertains problems, complaints of the public and assures them of their solution.

What process the public relations department follows in building good public relations, is largely a process of entering into communication with the public-communicating to the public and being communicated by it.

#### (viii) Communication as an Aid to Controlling:

The essence of controlling is the remedial action initiated by management to correct deviations in actual performance, as against the planned standards. Such remedial action is possible, only when the actual performance of people and the deviations from standards are communicated to management, for controlling purposes.

#### (ix) Communication Facilitates Delegation of Authority:

Delegation of authority is entirely based on the process of communication. A superior communicates the job assignment, necessary instructions etc. to the subordinate; and the latter, in turn, communicates his problems, difficulties and progress of work to the former. Maintaining open lines of communication between the superior and the subordinate, is a prerequisite for successful delegation of authority.

#### (x) Communication as Pervading All Walks of Organizational Life:

Communication is needed in personnel matters, like recruitment, selection, training, orientation and placement etc. of employees. It is needed for purposes of motivating subordinates. Enforcement of discipline in the organization requires communication of the rules of organization to all members of the organization. As a matter of fact, communication pervades all walks of organizational life.

### **10. Principles of Communication:**

1. The idea to be transmitted should always be in common and easily understandable language so that the communicatee interprets the idea in the same sense and spirit, in which it is communicated. There must be no ambiguity.

2. In order to make the message effective, it is necessary that the recipient’s attention must be drawn to the message communicated to him.

3. Communication should always be consistent with the plans, objectives, policies and programmes of the organization and not conflicting.

4. The information should be adequate and complete in all respect. Incomplete and inadequate information delays actions and destroys understanding and relations.

5. It should promote cooperation among people at work to achieve the organizational objectives.

6. Information or ideas should be communicated at the proper time. Any delay in communicating the messages will serve no purpose.

7. The communicator must have feedback confirmation from the recipient whether the messages communicated, have been understood in the same sense in which the sender takes it and also whether the recipient is agreed or disagreed the proposal.

8. Communication networks refer to the routes through which communications flows to the destination person for whom it is meant. A number of such networks may exists in the organization at a given point of time but management should consider the effectiveness of the communication network in the given situation and its effect of the behaviour of the communicatee before it finally chooses a network.

The above principles, if followed, will make the communication effective. The industrial problems may be minimized by establishing an effective system of communication because a sense of cooperativeness will make the industrial relations better.

### **11. How to Make Communication Effective?**

The principles or guidelines to making communications effective are of a general nature. Operationally speaking a number of more specific suggestions can be made to ensure the effectiveness of communications.

1. Communication should flow both ways downwards and upward. A sound feedback system should be provided for so that misunderstandings and distortion of messages can be avoided. There should be no communication gap.

2. In order to improve the communication Network, procedure of communication should be simplified, layers in downward communication should be reduced to the minimum possible, decentralization and delegation of authority should be reduced to make the informal communication less important through frequent meetings, conferences and timely dissemination of information to the sub-ordinates.

3. The message must be of interest to the listener. It should be clear, complete, concise, concrete and correct, so that it may receive and interpreted in the same sense by the receiver.

4. The media of communication should be such selected that the message reaches its destination in time, to the right person and in the sense in which it was framed.

5. Barriers to communication should be avoided as far as possible. Filtering or twisting of information, bossism and status consciousness should not come in the way of communication. Other barriers such as physical or socio-psychological or semantics should be reduced to the extent possible.

6. The management should promote the participative approach in management. Sub-ordinates should be invited to participate in the decision making process. It will seek cooperation and reduce many communication barriers.

So, a well-defined, open door policy of communication covering all the points should be followed in the organization to promote the cohesiveness among sub-ordinates.

### **12. Communication Networks:**

Communication network is a pattern of inter-connected lines. It is the system where the message may flow in one direction or in several directions. It determines the quickness, accuracy and smoothness with which the message flows in the organization. If the network is too long or round about, there will be delay in the flow of communication. If it is too narrow the message may get blocked.

When the network contains several filtering points die message may get distorted. There are several types of communication networks depending upon the nature of channels and the number of persons involved in the communication process.

**There are four main communication networks, which are explained briefly below:**

**(i) Circle Network:**

In case of circle network, the message moves in a circle under it each person can communicate with two others located on both of his sides. Such network offers a wider choice of channels and offers greater satisfaction to employees. But it is very slow, noisy and un-organised.

**(ii) Chain Network:**

Under this network, the message flows in a direct vertical line along the scalar chain of command. All the sub­ordinates receive orders and instructions from one superior. This type of network tends to be in flexible as the communication flow is formal.

**(iii) Wheel Network:**

Under it, number of sub-ordinates report to one superior. It is called wheel because all communications pass through the centre person similar to the hub of a wheel. It is the faster but most authoritarian network.

**(iv) All Channel Network:**

It represents a free flow of communication. Every member is allowed to communicate freely with all other members. It provides highest satisfaction. It is unstructured and informed communication network.

### 14. Current Issues Considered in Communication:

#### **(i) Technology and Communication:**

Emerging technologies have led to major changes in organisational communication processes. Telephone remains the major communication device among people in developed nations, but cellular phones are fast replacing the non-cellular phones in most parts of the world. Distributed computer technology is growing in use.

People within an organisation have started communicating directly on a computer network. Satellites and fibre optics allow high speed connections among networks at any locations of an organisation. Organisations with global operations can move all forms of information quickly to distant places.

Personal computers are being increasingly used as medium of communication. When personal computers have modems and fax devices, people in an organisation can quickly communicate with each other.

Satellite and fibre optics will let them transmit any media such as text, numeric data, graphic images, audio and video images. By communicating with their personal computers, people in different countries can lessen the effect of time zone differences.

Video conferencing allows face to face communication over almost any distance. People in a video conference can see each other, speak to each other, show graphic images and send documents by fax. Such systems are a substitute for travelling to different sites for meetings. New technology also allows desktop video conferencing.

A small camera mounted on a computer monitor sends the video image to the receiving computer. The other party has the same configuration, making two-way video and audio interaction possible. A window opens on each person’s computer screen letting them see each other. Other parts of the screen can show the text of a report the two parties are revising or graphics for an upcoming joint business presentation.

Multimedia personal computers are another revolutionary change in the field of communication. Such computers feature scanners, sound boards, business presentation Software, CD-ROMS and for advanced users, animation software. Business presentations can now offer full colour three dimensional graphics, photographs, video images, background sound and text.

Properly designed, such presentations can have dramatic effects on an audience. The overhead projector with black and white slides will give way to a multimedia business presentation controlled by a personal computer and the presenter. Such presentations are making large audience communications not only possible but dramatic as well.

#### (ii) Men Women Communication:

For long, men have been enjoying dominating positions in organisations. But now the women have started enjoying equal share and positions in the organisations.

Now-a-days when educated women have started demanding proper positions, complex problems have surfaced. A proper communication system can reduce such tensions. Improper communication destroys the atmosphere whereas polite communication develops a good atmosphere.

Communication removes the doubts and bridges the gap between men and women. This is possible if mutual understanding is developed between the two.

#### (iii) Communication and Political Environment of an Organisation:

An unhealthy communication process can be created by the political environment in an organisation. The term ‘political’ in an organisation refers to groups formed on the basis of caste, creed or colour. Such groups are not desirable for a unified growth of communication.

The desirable form of communication in such a case is, that polity should encourage effective communication as people are sensitive to others feelings. A polite and sympathetic atmosphere can lead to effective communication. Soft words should be used to convey hard meanings, but in case that is not possible, the management has to resort to other means to convey the message in a clear and accurate form.

#### (iv) Cross Cultural Communication:

Cross Cultural Communication creates problems to an effective communication. The issues of cross cultural communication go beyond the spoken and written language of another culture. The barriers are caused by semantic differences, word connotation, differences of tone and perception. Nonverbal communication has different meanings in different countries.

Orientations to time and the meaning of time differ widely among cultures. The cross cultural difference can be reduced to a great degree if the differences are realised by the senders and receivers. Emphasis should be more on description rather than on interpretation and the interpretation should never be taken as final rather it should be taken as developing.

#### (v) Ethical Issues in Communication:

An organisation’s communication process plays an important role in presenting an ethical image to people inside and outside the organisation. An ethical issue centers on how much an organisation should disclose to employees, suppliers and the community in which it operates.

Employees want information about planned layouts, transfers wants other large changes that could disrupt people’s lives. The customers want to know about the safety of the products, the levels of error in the services and the results of testing programmes. The suppliers need to know about the basis of choice, contracting process and the basis of commitment to a particular supplier.

A growing ethical issue surrounds communication privacy in organisations. Do the employees have right to private communications in the work setting that cannot be revealed to anyone without their consent?

The ethical issue will grow in future as more employees using personal computers become part of the computer networks in organisations. Existing software lets both network managers and senior managers read employees’ voice mail, e-mail and other computer files. Is it ethical to do so or not? Such issues major issues before the organisation.

### **16. Barriers to Communication:**

The process of communication is lengthy involving different stages For effective communication, every stage is crucial. Hurdles may arise at any stage in this lengthy process blocking the understanding of the message by the receiver. These hurdles are known as barriers to communication. They may entirely prevent a communication, filter a part of it or distort it in meaning.

**There are three types of barriers:**

1. Personal,

2. Semantic and

3. Physical.

**1. Personal Barriers:**

These barriers arise out of human emotions, values, and poor listening habits. These are very common occurrences in work situations. We have already seen how our personal feelings can limit our communications with other people. Personal barriers result from psychological distance between people who may be physically closure. For example, a subordinate perceiving his superior to be authoritarian which he dislikes, cannot understand his directions well.

Our emotions also act as filters in almost all our communications. We tend to see and hear what we are emotionally “tuned” to see and hear leading to communication failure. Similarly, we communicate our interpretation of reality rather than the reality itself. Therefore, what we understand is when the sender’s and receiver’s perceptual profiles are at variance with each other, smooth and effective communications do not take place between them.

**2. Semantic Barriers:**

Semantic barriers arise out of language problem. As you are aware, the sender uses a language of words and symbols for communicating to the receiver. Words usually have a variety of meanings. As a result, the receiver may not get the same meaning of the word as intended by the sender.

In such case, the receiver does not properly understand the message or he may understand it to the contrary. For example, the word ‘steps’ has different meanings. It may refer to the staircase, or the measures to be taken to solve a problem, or the steps of a dancer in a dance programme.

Whenever we select a meaning that is not factual, we are making an inference. Inferences are an essential part of most communications. We cannot avoid them all together. In our day-to-day conversations also, very often we hear people saying ‘I mean’ or “it is not what I mean” because of the possibility for making different inferences.

**3. Physical Barriers:**

Physical barriers exist in the environment in which the communication takes place. When you are working in a factory where machines produce a lot of sound, you cannot talk to the other one even if he is very close to you physically. Likewise, telephone interruptions, walk in visitors, or attending to other matters are very common hurdles in the process of communication.

**A brief discussion about the various factors acting as obstacles for effective communication is follows:**

**(i) Lack of Planning:**

When sufficient time is not devoted for thinking, planning and stating the purpose of the message, it proves ineffective. By providing the reasons for a particular instruction, selecting the most appropriate channel and releasing the message at the right time, a manager can ensure effective communication.

**(ii) Bad Expression of Message:**

The sender, sometimes, may be clear about the message, but when conveys it, he may not express it clearly. Poorly chosen words, careless omissions, lack of coherence, poor organization of ideas, awkward sentence structure, inadequate vocabulary, unnecessary jargons and failure to clarify the implications are the reasons for bad expression of message.

**(iii) Faulty Translation:**

Managers receive information from many sources. When it is transmitted, the translator must have a good communication and analytical skills so as to bring in a correct understanding of communication.

**(iv) Unclarified Assumptions:**

In the process of communication both parties assume certain things, any attempt to get their assumptions taken for granted will result in ineffective communication. Therefore, efforts are to be carefully taken to clarify any assumption and remove confusion.

**(v) Loss by Transmission and Poor Retention:**

If a message is transmitted form one person to another in a series, it tends to lose accuracy. It is proved through research studies that while communicating orally; approximately 30 percent of the information is lost in each transmission. Therefore, it is impossible to rely only on oral communication.

Poor retention of information is another serious problem. Studies again indicate that employees are able to retain only 50 percent of what they are told. Supervisors are able to retain around 60 percent of the information they receive. Therefore, it is necessary to repeat the message and use more than on channel to communicate the message.

**(vi) Semantic Distortion:**

Some words may have ambiguous meanings and may generate different responses in different people. For example, an advertisement declares “We sell better products”. It is quite ambiguous as it raises the question “better than what?”

**(vii) Distrust:**

If the superior is known for making frequent changes in the communication, even reversing the original message, it creates distrust in the minds of employees of his communication. Repeated experience of this kind will damage employee’s interest in the communication. The loss of confidence in the superior will drop the effectiveness of communication.

**(viii) Fear:**

This indicates anxiety, awe, alarm or apprehension about the information in the mind of the employee. It arises in upward communication and creates a barrier in communication. The fear will cause trouble and the whole organization will suffer.

**(ix) Attitude of the Superior:**

The fear of a superior that communication of anything to subordinates will reduce his power and authority may also act as a barrier for communication.

**(x) Inadequate Adjustment Period:**

Whenever a change is introduced in the regular programme, policy, rule, etc., sufficient time for adjustment is to be given to the employees to make them mentally prepared. Otherwise, inadequate time will hamper the effectiveness of communication.

#### **Overcoming the Barriers to Communication:**

Some guidelines would be helpful to management to improve their skills in communication to avoid the barriers in communication and also to achieve the goals and targets. Every organization does need effective communications for its success as it carries out its business in a knowledge society.

Management should realize that communication plays a significant role in motivating the employees, building high morale among them, providing satisfaction in work, developing employee potential and performance, changing employee attitudes and increasing their loyalty and commitment to the organization. Communication should be very comprehensive and timely. In the modern society, managers do well in their communications by using latest technology in an appropriate way.

**The following points will bring out the ways and means to overcome the barriers to effective communication:**

**1. Clarity of Thoughts:**The message to be transmitted should be very clear in the mind of the sender. It should always be remembered that employee communication should never be in abstract terms. The academic level of the workers, their power of grasping things, etc., should be taken into account, otherwise the communication is likely to go waste.

Even when the language spoken by the workers, supervisors and the management is the same, word often mean different things to people with a different experimental background. Therefore, care should be exercised in making the communication complete in all respects.

**2. Attach Importance to Actions Rather Than Words:**  
Actions are more important than words. A superior who says that he trusts the subordinates but puts checks in every activity of subordinates cannot succeed in his efforts. One who does not believe in himself fails to understand the communication in all respects and cannot make any dint over the subordinates. Therefore, he should believe in what he says. Then only he can make others to obey him. For example, a superior who does not keep up punctuality cannot enforce his subordinates.

**3. Effective Listening:**  
Superior has to attentive listen the views, suggestions and voice of subordinates. Listening is fundamental in oral communication. It leads to sharing, participation and understanding. Passive listening should be avoided. Listening is art which is to be perfected. This art can be perfected by respecting the personality of the subordinates, recognize the subjective and objective factors and avoiding moralizing.

**4. Transmission:**  
Plan carefully what to communicate, how to communicate and to whom to communicate. When authority is transferred, it should go in parity with the responsibility for ensuring smooth flow of communication.

**5. Open System:**  
Keep the system of communication open and alive. Good communication relations can be developed through honest attempt.

**6. Cordial Relationship:**  
There should be cordial relationship between superior and subordinates to ensure effective communication. All round atmosphere of confidence should be the basis for cordial relations. If the cordial relations are not maintained, information may be suppressed or misunderstood.

**7. Non-Verbal Cues:**  
People are sensitive to non-verbal cues in communication. Research study reveals that only 7 percent of receiver’s response is determined by the verbal content of a message, while 38 percent of the response is determined by the speaker’s vocal characteristics and 55 percent is determined by the speaker’s facial expressions. Non-verbal cues include body posture, eye contact, distance from the receiver, voice modulation, rate of speech, gestures, emphasis of particular words, silence, etc.

**8. Non-Directive Counselling:**  
It can be done by holding an interview with the employee. It helps the employee examine his own ideas, feelings, and attitudes about a problem. In such an interview a manager should be attentive and friendly, raise appropriate questions and be tactful and enable the employee to think through the problem clearly.

## Types of interviews

There are many types of interviews that an organization can arrange. It depends on the objectives of taking the interview. Some important types of interviews are stated below:

1. **Personal interviews**: Personal interviews include:
   * Selection of the employees
   * Promotion of the employees
   * Retirement and resignation of the employees

Of course, this type of interview is designed to obtain information through discussion and observation about how well the interviewer will perform on the job.

1. **Evaluation interviews**: The interviews which take place annually to review the progress of the interviewee are called the evaluation interviews. Naturally, it is occurring between superiors and subordinates. The main objective of this interview is to find out the strengths and weaknesses of the employees.
2. **Persuasive interviews**: This type of interview is designed to sell someone a product or an idea. When a sales representative talk with a target buyer, persuasion takes the form of convincing the target that the product or idea meets a need.
3. **Structured interviews**: Structured interviews tend to follow formal procedures; the interviewer follows a predetermined agenda or questions.
4. **Unstructured interviews**: When the interview does not follow the formal rules or procedures. It is called an unstructured ***interview***. The discussion will probably be free-flowing and may shift rapidly form on subject to another depending on the interests of the interviewee and the interviewer.
5. **Counseling interviews**: This may be held to find out what has been troubling the workers and why someone has not been working.
6. **Disciplinary interviews**: Disciplinary interviews are occurring when an employee has been accused of breaching the organization’s rules and procedures.
7. **Stress interviews**: It is designed to place the interviewee in a stress situation in order to observe the interviewee’s reaction.
8. **Public interviews**: These include political parties’ radio-television and newspaper.
9. **Informal or conversational interview**: In the conversational interview, no predetermined questions are asked, in order to remain as open and adaptable a possible to the interviewee’s nature and priorities; during the interview the interviewer “goes with the flow”.
10. **General interview guide approach**: The guide approach is intended to ensure that the same general areas of information are collected from each interviewee this provides more focus than the conversational approach but still allows a degree of freedom and adaptability in getting the information from the interviewee.
11. **Standardized or open-ended interview**: Here the same open-ended questions are asked to all interviewees; this approach facilitates faster interviews that can be more easily analyzed and compared.
12. **Closed or fixed-response interview**: It is an interview where all interviewers ask the same questions and asked to choose answers from among the same set of alternatives. This format is useful for those not practiced in interviewing.

# **What is Negotiation?**

Negotiation is a method by which people settle differences. It is a process by which compromise or agreement is reached while avoiding argument and dispute.

n any disagreement, individuals understandably aim to achieve the best possible outcome for their position (or perhaps an organisation they represent). However, the principles of fairness, seeking mutual benefit and maintaining a relationship are the keys to a successful outcome.

**Specific forms of negotiation are used in many situations: international affairs, the legal system, government, industrial disputes or domestic relationships as examples. However, general negotiation skills can be learned and applied in a wide range of activities. Negotiation skills can be of great benefit in resolving any differences that arise between you and others.**

## **Stages of Negotiation**

In order to achieve a desirable outcome, it may be useful to follow a structured approach to negotiation. For example, in a work situation a meeting may need to be arranged in which all parties involved can come together.

The process of negotiation includes the following stages:

### **1. Preparation**

**Before any negotiation takes place, a decision needs to be taken as to when and where a meeting will take place to discuss the problem and who will attend.  Setting a limited time-scale can also be helpful to prevent the disagreement continuing.**

This stage involves ensuring all the pertinent facts of the situation are known in order to clarify your own position.  In the work example above, this would include knowing the ‘rules’ of your organisation, to whom help is given, when help is not felt appropriate and the grounds for such refusals.  Your organisation may well have policies to which you can refer in preparation for the negotiation.

Undertaking preparation before discussing the disagreement will help to avoid further conflict and unnecessarily wasting time during the meeting.

### **2. Discussion**

**During this stage, individuals or members of each side put forward the case as they see it, i.e. their understanding of the situation.**

Key skills during this stage include [**questioning**](https://www.skillsyouneed.com/ips/questioning.html), [**listening**](https://www.skillsyouneed.com/ips/listening-skills.html) and [**clarifying**](https://www.skillsyouneed.com/ips/clarification.html).

Sometimes it is helpful to take notes during the discussion stage to record all points put forward in case there is need for further clarification.  It is extremely important to listen, as when disagreement takes place it is easy to make the mistake of saying too much and listening too little.  Each side should have an equal opportunity to present their case.

### **3. Clarifying Goals**

**From the discussion, the goals, interests and viewpoints of both sides of the disagreement need to be clarified.**

It is helpful to list these factors in order of priority.  Through this clarification it is often possible to identify or establish some common ground. Clarification is an essential part of the negotiation process, without it misunderstandings are likely to occur which may cause problems and barriers to reaching a beneficial outcome.

### **4. Negotiate Towards a Win-Win Outcome**

**This stage focuses on what is termed a 'win-win' outcome where both sides feel they have gained something positive through the process of negotiation and both sides feel their point of view has been taken into consideration.**

A win-win outcome is usually the best result. Although this may not always be possible, through negotiation, it should be the ultimate goal.

Suggestions of alternative strategies and compromises need to be considered at this point.  Compromises are often positive alternatives which can often achieve greater benefit for all concerned compared to holding to the original positions.

### **5. Agreement**

**Agreement can be achieved once understanding of both sides’ viewpoints and interests have been considered.**

It is essential to for everybody involved to keep an open mind in order to achieve an acceptable solution.  Any agreement needs to be made perfectly clear so that both sides know what has been decided.

### **Implementing a Course of Action**

From the agreement, a course of action has to be implemented to carry through the decision.

#### **ELEMENTS OF NEGOTIATION**

In any negotiation, the following three elements are important and likely to affect the ultimate outcome of the negotiation:

**Attitudes**

All negotiation is strongly influenced by underlying attitudes to the process itself, for example attitudes to the issues and personalities involved in the particular case or attitudes linked to personal needs for recognition.

Always be aware that:

* Negotiation is **not** an arena for the realisation of individual achievements.
* There can be resentment of the need to negotiate by those in authority.
* Certain features of negotiation may influence a person’s behaviour, for example some people may become defensive.

**Knowledge**

**The more knowledge you possess of the issues in question, the greater your participation in the process of negotiation.  In other words, good preparation is essential.** Do your homework and gather as much information about the issues as you can.

**Interpersonal Skills**

Good interpersonal skills are essential for effective negotiations, both in formal situations and in less formal or one-to-one negotiations.

These skills include:

* **Effective verbal communication.**   
  See our pages:[*Verbal Communication*](https://www.skillsyouneed.com/ips/verbal-communication.html)and[*Effective Speaking*](https://www.skillsyouneed.com/ips/effective-speaking.html).
* **Listening.**   
  We provide a lot of advice to help you improve your listening skills, see our page[*Active Listening*](https://www.skillsyouneed.com/ips/active-listening.html).
* **Reducing misunderstandings** is a key part of effective negotiation.   
  See our pages:[*Reflection*](https://www.skillsyouneed.com/ips/reflecting.html),[*Clarification*](https://www.skillsyouneed.com/ips/clarification.html)and[*The Ladder of Inference*](https://www.skillsyouneed.com/ips/ladder-of-inference.html)for more information.
* **Rapport Building.**   
  Build stronger working relationships based on mutual respect. See our pages:[*Building Rapport*](https://www.skillsyouneed.com/ips/rapport.html)and[*How to be Polite*](https://www.skillsyouneed.com/ips/politeness.html).
* **Problem Solving.**   
  See our section on effective[*Problem Solving*](https://www.skillsyouneed.com/ips/problem-solving.html).
* **Decision Making.**   
  Learn some simple techniques to help you make better decisions, see our section:[*Decision Making*](https://www.skillsyouneed.com/ips/decision-making.html).
* **Assertiveness.**   
  Assertiveness is an essential skill for successful negotiation. See our page:[*Assertiveness Techniques*](https://www.skillsyouneed.com/ps/assertiveness-techniques.html)for more information.
* **Dealing with Difficult Situations.**   
  See our page:[*Communicating in Difficult Situations*](https://www.skillsyouneed.com/ips/communication-difficult-situations.html)for some tips and advice to make difficult communications, easier.

**Challenges of Negotiation**

* The biggest challenge to negotiation is when individuals are not ready to understand the second party at all.
* **Lack of time** is also a major challenge to effective negotiation. One should never be in a hurry. You need time to convince others. Never be in a rush to purchase things or close a deal. Analyze things carefully and then only come to conclusions.
* **Going unprepared for a negotiation** is unacceptable. Don’t underestimate the second party. One should do his home work carefully. Check out even the smallest details before going for a negotiation.
* **Lack of patience** also leads to a bad negotiation. Every individual has the right to express his views and one should not interfere in his speech. You might not agree to him but at least listen to him first. Sit with the second party and make him realize how the deal would benefit you as well as him.
* **Criticism, sarcasm, derogatory remarks** are the biggest threats to an effective negotiation. Never ever say anything which might hurt others. Remember everyone is here to do business and make profits, so be logical and justified.
* **Avoid last minute changes** as it result in confusions and misunderstandings. The two parties must be very clear on what they expect from each other, and must stick to it. Don’t change statements every now and then.
* **Being too rigid** is one of the biggest challenges to an effective negotiation. Be a little flexible. Compromise to your best extent possible and don’t crib always. One should adopt a positive attitude and try his level best to adjust with each other and find out a solution which will satisfy all. Only price is not important, other factors like quality, brand name, durability must also be taken into consideration.
* **Lack of confidence** is again one of the major threats to negotiation. Don’t forget to make an eye contact with the person sitting on the other side of the table. It’s important to be serious but that does not mean you will not even greet the other person. Be straightforward and crisp in your communication. Take care of your dressing and appearance as well.