

Introduction to Business Environment and Communication

LEARNING OBJECTIVES

After studying this chapter, you will be able to understand

- ◆ the modern business environment
- ◆ the expectations of today's employers
- ◆ how to be valuable to your employers
- ◆ the importance of business communication
- ◆ the challenges in business communication
- ◆ the uniqueness of business communication
- ◆ the relation between entrepreneurship and business communication
- ◆ the impact of technology and social media on communication

ORGANIZATIONAL CULTURE AND COMMUNICATION

Raja worked abroad for a decade before deciding to return to India and taking up something more challenging and intellectually stimulating. He chose to work for a publisher that had a history of over a century in the publishing industry. New World Publishers was very well-reputed, and it was planning to venture into newer areas of management book publishing. Raja was well-qualified for a senior editorial position in the company, applied for the job, and was recruited.

The company had been a family-run business, primarily managed by the only son of the family, Sudhir, who was the managing director (MD). Through his good contacts and strategies, he made sure that the company maintained significant profit margins over the years. However, the fortunes of the company had begun to change over the last four or five years, as it had planned significant expansion without introducing appropriate changes in its work culture.

Even as other publishing houses adopted a modern, more open work culture, Sudhir continued his old-fashioned way of working. Although there were managers to look after work in different departments, no decision, however important or ordinary, could be taken without Sudhir's approval. He had centralized all decision-making powers in himself. Whether it was approval of manuscripts or sanctioning of leave, or whether the sales staff spent ₹100 or ₹100,000, everything was to be sanctioned by him.

As all decisions rested on Sudhir, there were major delays in decision-making and unnecessary losses for the business. He started becoming unpopular among his peers and subordinates, particularly the young. In addition, this management style left enough time for interaction with only senior managers of the company. Rarely would he be seen chatting with a junior employee in formal or informal gatherings. He would hardly care to directly connect with his employees through emails or circulars. Speculations and gossip became a regular occurrence in the company. Earlier, because of the small size of the company, he had known his employees in person, but now, with large-scale expansion, it was not possible for him to interact with them closely. The firm grew in size without paying attention to changes in the work culture.

This was also the time when Raja joined New World Publishers. Raja was not accustomed to working in such an environment. Although a very simple person by nature, he needed freedom at work. For minuscule issues, he would have to wait for the MD's approval. On many occasions, he tried to reach the MD to explain to him his grievance, but in vain. His managers discouraged him from directly contacting the MD. Many of his colleagues looked at him as being too ambitious.

The company started deteriorating both in editorial productivity and sales. Frustrated, Raja decided to quit, along with many other youngsters. He realized that he had chosen a company that lacked culture, sensibility, and openness. It was difficult for him to communicate, and freedom to operate was the last thing that he would ever get. He felt that, probably, it would have been better if he had done some groundwork on the culture of the company before joining it.

INTRODUCTION

The subject of business communication is of paramount importance to start a career in business. Interestingly, it is relevant even before you have got yourself recruited in a company. Your involvement with business communication begins when you place your curriculum vitae (CV) before the prospective employer. Your CV will be an integral part of your career. Getting it right, therefore, is extremely crucial for your organizational success. Good communication skills will also help in guiding you through the different challenges that a business might face. Throughout your career, it will be one of the key decisive factors for your progression in the professional sphere.

Business communication has seen significant changes over the past few years. The way we communicate and the media of communication have changed along with changes in workplace dynamics. The way business and business communication are done in India has registered a significant development after the economic liberalization (1991). Before the liberalization of the Indian economy, business in the country was characterized by public sector enterprises that were neither fully satisfying the socialist ambition of employing masses nor being globally competitive. Various economic reforms were introduced to tackle the situation, which eventually lead to the opening up of the Indian economy.

The opening up of the economy has led to more challenges, better technology, and newer avenues to do business. It has also brought about changes to the job market, with plenty of opportunities for graduates and postgraduates. There have been significant changes in the political, social, economic, and financial fronts in business. All these changes have, however, come with a rider. They demand demonstration of 'stronger and better' capabilities than your competition, as an individual, a team, and a company.

Today, globalization is the key to success. Competition in business is no more restricted to a local competitor but has gone beyond national and international boundaries. Companies today have, therefore, moved across international borders, and most of them seek to have some base or liaison with foreign nations. As a result, diverse teams, cross-cultural working environments, and the ability to work in teams with people of different nationalities have become necessary. For example, the information technology (IT) industry in India is thriving on global businesses and to be sustainable it should ensure that its employees are able to work in multicultural environments. In such diverse and vast business environments, quality communication skills become indispensable to organizational success.

The changes in the way business is done today (Fig. 1.1) have significantly influenced the way the 'talent pool' is looked at by prospective employers. Good communication skills, business etiquettes, and ability to deal with diverse teams are some of the qualities that are valued.

Today, job seekers have the freedom to work across various sectors, in various capacities and profiles. An employable graduate today need not be restricted to any particular sector. He or she can choose from

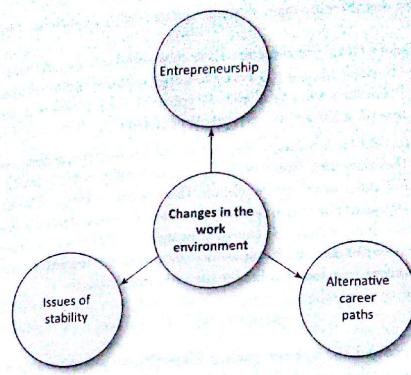


Fig. 1.1 Changes in the work environment in India

Primary expectations from today's workforce
across all sectors include good communication skills, superior business etiquettes, and the ability to work in diverse teams.

Companies should have a clear vision for their future leadership. They should consider it at the time of recruitment of the workforce and while introducing improvements in their operations. The process of succession planning particularly looks into this issue of future leadership.

the manufacturing sector, services sector, and so on. Graduates also have the option to work independently. Many people, including young mothers and the self-employed, opt to work in the convenience of their homes. Many companies have started encouraging these practices too.

The major changes in the work environment in India are as follows:

Issues of stability If our parents had joined a company, particularly a public sector unit (PSU), they probably would have happily continued to work in it throughout their career, and retire from the same company. The previous generations believed in remaining with the same company for their entire lifetime. If it was closed down, they did not have many skills to move into another industry

nor were there choices in abundance. Employers looked for experience in the same industry or at least something very similar. However, the situation is not the same today as your job might be at stake at any time owing to your company going bankrupt or in the event of a merger, sell-off, retrenchment, or acquisition process being initiated. The working conditions have become extremely volatile, and very few predictions can be made. The ethical issues have continued to haunt organizations, clubbed with the competitive challenges of globalization. At the same time, new opportunities have come up, and getting the right salary is not a constraint anymore for the right candidate. In addition, the restriction to work in a particular sector no longer exists.

Job hopping some years ago would have meant 'instability' in your career. However, today it is not only considered natural to hop jobs, but is also a preferred practice to utilize lucrative opportunities. If job hopping is justified with better prestige, opportunities for learning and making more money, it is not treated as a negative. Excessive job hopping is, however, still seen as a negative, especially at a time when human resource departments spend a lot of time recruiting and training people. Before changing jobs, it is extremely important to weigh the pros and cons of such a change.

Entrepreneurship These days, there are a lot of graduates who start their own ventures and believe in being their own bosses. In the pre-liberalization era, the urge to start a new business was rare as the opportunities available were very few and the government restrictions to start a new business were plenty. Today, youngsters often opt for starting their own ventures, usually after gaining some work experience. It is very likely that you might also start or work for such a company once in your lifetime. Naukri.com, Makemytrip.com, and Give India are some examples of companies started by business-school graduates on their own. Funding also is

not a difficult proposition considering that there are many venture capitalists who are interested in supporting new ideas.

Another trend that is picking up is the emergence of consultants. These are small businesses, sometimes run by an individual or a team of experts who lend their services by advising corporate and businesses to make their processes more efficient and business more profitable. All grey areas and bottleneck issues are handed over to consultants, who draw up solutions and often implement them.

Parallel career tracks Alongside the routine job that is their breadwinner, many young business graduates venture out on their own. They start their own small businesses in parallel, write, research, teach, and also provide corporate training and consulting on weekends. This is another new trend in the work environment, as many people today do not believe in depending on a single source of income for their livelihood. They also tend their time doing social work, contributing significantly towards welfare and development programmes of their state or country. People are now more inclined towards taking up work that both interests them and keeps them moving ahead in life and career.

EMPLOYERS OF TODAY

Employers today try to maintain a talented and stable workforce. However, not many are able to achieve this because of competition and stability issues. Every employer today is trying to attract the best possible candidates to join his or her organization, and is willing to provide the best compensation to the ideal candidate.

A talented and stable workforce means a reduction in the time and money spent on recruitment and training. Every company wants to attract the best talent pool possible in the industry. However, the best pool is highly vulnerable to poaching by competitors. As an alternative, many companies tend to hire freshers and groom them into the future leaders of the industry. At the same time, there are companies that do not mind in a certain percentage of attrition, which would enable them to recruit fresh blood¹. There are companies at the either end of the spectrum, and they vary significantly in their approach and outlook towards human resource.

There is another trend that has picked up. For all the administrative functions, and also areas that do not add much value to business, companies have started hiring contract employees. Even functions that add to the cost, like payroll management in larger companies, have been either automated or outsourced. Departments that are manpower-dependent, like the IT maintenance department, today run on a very thin staff, with most of the employees working on a contract, or have been outsourced. This has been the cause of controversy, with large amounts of outsourcing by the Western economies to the Asian countries. Companies are also trying to reduce their costs by minimizing human interference through the use of technology. They are now working with minimal workforce and focusing on non-linear growth models. Besides, efforts are made to enhance the per capita productivity of employees.

What are Employers Looking for?

The needs of today's employers are different. They have moved ahead from the requirements that were considered important even a decade ago. Today, the business outlook has changed (Fig. 1.2). Employers look for the following skills and qualities in their employees:

Dynamic Leadership Skills

Companies look for dynamic leaders who can lead their companies through rough times. They can become prospective leaders and take the company ahead. Companies are more open in their approach,

Dynamic leadership skills	Varied and strong work experience	Cross-cultural sensitivity	Right skill sets and willingness to learn
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FIG. 1.2 What employers look for

Variety and Strong Work Experience
An employee is preferred when he or she has a varied work experience and has worked in multiple domain or technical areas. Of course, the diverse work experience should also be relevant to the position concerned. Although some of the industries are not particular about past experience, some of them prefer to have people who have significant work experience in the field concerned (like the fast-moving consumer goods, FMCG, sector). A candidate with such experience helps the prospective employees to understand the business needs of the new firm in a better fashion. Besides, it also helps the new employee in making an effective contribution to his or her firm, early. When the employees have a varied work experience, they have wider perspective on various management processes, besides being better equipped to understand and deal with a variety of clients.

Cross-cultural Sensitivity

Post-liberalization, the early 1990s gave a plethora of opportunities to Indian companies. Not only were they subjected to more competition, they also had the option of moving outside their shores in search of business. This brought down the dependency on the home-generated business, which was earlier quite insufficient to improve the scale of business. Working in the new liberal environment meant at least some proportion of the business coming from abroad. This implied dealing with people who are different from you in their language, their business etiquettes, and their overall culture. Similarly, the opening of the Indian market has also brought foreign companies to India in search of businesses. For these companies, this foray has meant dealing with Indian business houses and understanding the Indian work culture. Therefore, candidates who have the experience of studying abroad or have travelled abroad generate a positive impact on employers. The Indian market has also risen in importance in the world. This can be validated from the fact that a lot of business schools abroad are working with their Indian counterparts to encourage student exchange programmes. Many foreign schools send their students to India to understand its growing market and unique work culture.

Right Skill Sets and Willingness to Learn

Having diverse and the right skill sets, be it technical or functional, helps. Having additional qualifications that support the educational background also helps. For example, a commerce graduate with an ability

to speak a foreign language stands an advantage in certain work environments. Employers look for the functional requirements of the clients better. Candidates who are capable of learning diverse subjects and have also done so in the past are preferred.

Apart from these requirements, some companies look for strong educational backgrounds, preferably candidates with first-class degrees throughout. There are also some other specific requirements that companies insist on. Many companies do not believe in 'poaching' from competitors, and if you have been working with the competitors of your prospective employers, there are chances that you may not be considered. Many companies do not recruit from their list of blacklisted companies and blacklisted business schools.

Employers today believe in having a diverse workforce and upholding the ethic of equal opportunity to every prospective applicant. They do not distinguish between the applicants on the basis of caste, region, country, religion, sex, background, or health and physical conditions.

The basic expectation from all employees is that they do well in their own jobs. Communicating effectively and efficiently is indispensable to your performing well in your organization. While at work, every employee is expected to do the following:

- Express ideas (verbal or written) accurately and completely.
- Possess good listening skills.
- Possess the ability to work in groups and teams and communicate to them effectively.
- Be sensitive to cross-cultural issues.
- Have an understanding of the basic business etiquettes.

Being Valuable to Prospective Employers

An employer is always keen on having an employee who adds value to the enterprise (Exhibit 1.1 and Fig. 1.3). The first question that you need to ask yourself is 'what is my goal?'. Then you will need to see whether your skill sets match your goals. The third step is to understand how you can be more valuable to your prospective employers.

EXHIBIT 1.1

Selling your personal brand

What is it that gives you an edge over peers? Is there a way you can use that to create a name for your-

self, a personal brand, differentiating yourself from everyone else and making you stand out? Are you the most knowledgeable, the hardest working, the smartest, the most articulate, the best dressed, the most upbeat, the best motivator, the most reliable or simply the most well-rounded? Position yourself, but cover all the other necessary bases too. Yes,

you're a great motivator—that's what everyone thinks of when they think of you—but you can also do the nuts and bolts work it takes to get the job

done. What do you want people to think of when they think of you?

Sometimes it can be little more than a hook to make you more memorable, a way of distinguishing yourself from the faceless hordes surrounding you. In *Winning Office Politics*, Andrew DuBrin talks about a government bureaucrat, an ambitious economist named Terry who couldn't seem to stand out as a member of that ultimate faceless horde. Then he stumbled across a book on remembering names and faces. "Remembering the names of many people I came in contact with in my job

EXHIBIT 1.1 (Contd)

"...became an intriguing game," Terry said. "Gradually a number of people commented on [it]... My skill helped me phase into assignments that interfaced with people outside my department. My outside contacts led to a position with a much higher level GS rating that carried by the position of an entry-level economist. My career with the Government had been launched because I finally found a way to stand out from the crowd."

Depending upon your positioning, branding may directly increase your authority or it may simply

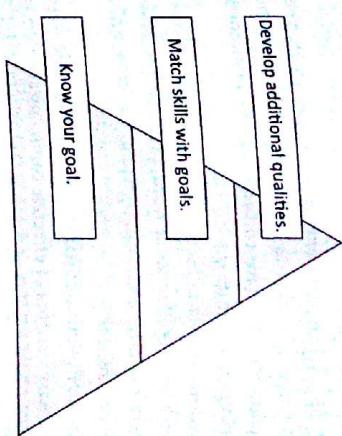
make you more memorable—which, when you do produce, will increase your authority. Of course, if you fail to produce, being more memorable simply means people won't forget your poor performance.

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Step 1: Know your goal.

- What kind of a job/activity interests you the most?
- What compensation do you expect after graduating?
- Do you want to be a 'big fish in a small pond' or a 'small fish in a big pond'?
- Is the work location very important to you, or the quality of work that you do?
- What is your 'ideal' job that you are looking for?
- Where do you see yourself professionally in the future?

Fig. 1.3 Being valuable to prospective employers



Step 2: Match your skills with your goals.

- First, understand what interests you.

- Evaluate the skills needed to do what you want to do.
- List down the qualities that make you unique.
- What kind of candidature do you offer?

- Do the skills needed match your personality?
- Match your education qualification to your goals.

Step 3: Develop additional qualities.

- Learn something (skills, techniques) that makes you unique. Make your candidature attractive.
- Do you have good work experience in the relevant field? Try and do something different and unconventional that makes your experience appear more vibrant, yet relevant.
- Read more on the company or industry that you are interested in. Your interest in the firm will evoke the interest of the employer in you.
- Make your papers (résumé, cover letter) crisp and comprehensive. Present yourself as an attractive candidate to your employer.

Besides, it is also important to never stop learning and keep alternative career paths (that may interest you more, eventually) open.

Having a strong goal and good degrees is not enough. Good communication skills and the ability to work in teams, with diverse people, are indispensable qualities needed to succeed in modern professional spaces. Your ability to communicate effectively will always give you an upper edge.

IMPORTANCE OF COMMUNICATION

The success in business depends not only on what you communicate but also on how well you communicate. The success and failure of the individual employee and the organization will depend on your interaction with internal and external customers. Internal customers of a company refers to its employees, whereas external customers refer to suppliers, government, shareholders, and the media. From the time you join a company, and often before it, you are tested on how you communicate. The various points where you are screened include the way you write your CV, the cover letter, your follow-up email, or perhaps the note that you write to indicate your willingness to take up the service.

Once you have joined a company, irrespective of what department or sector you are in, you will need to communicate. Whether you are in the finance, marketing, research and development (R&D), customer services, legal, or consulting field, you will have to keep the communication channels with your internal and external customers open at all times.

While on the job, you will need to make presentations, deliver talks, train people, prepare reports, respond to your customers, and hold discussions with your colleagues at work, over lunch or while attending an official function. Communication is, therefore, critical and omnipresent. Therefore, while you are communicating, it is extremely important to be effective.

Effective business communication helps in multiple ways (Fig. 1.4). The primary benefits of effective communication are as follows:

Better interpersonal relationships It is extremely essential to maintain good understanding with internal and external customers. This is essential to run the daily operations in the organization efficiently. Good communication translates into better relationships with employees and customers. It is a vital pre-requisite to becoming a good leader.

Better information availability Information flowing smoothly across the organization is critical and so is the availability of information at the right time and place. The information flow becomes smooth with effective communication. It is extremely crucial in almost all business functions and departments. Many problems can be quickly resolved by efficient dissemination of information. It also results into strong feedback mechanisms.

Better decision-making Better communication means better information flow and, therefore, decision-making becomes easy. Decision-making becomes relevant and easy when decisions are

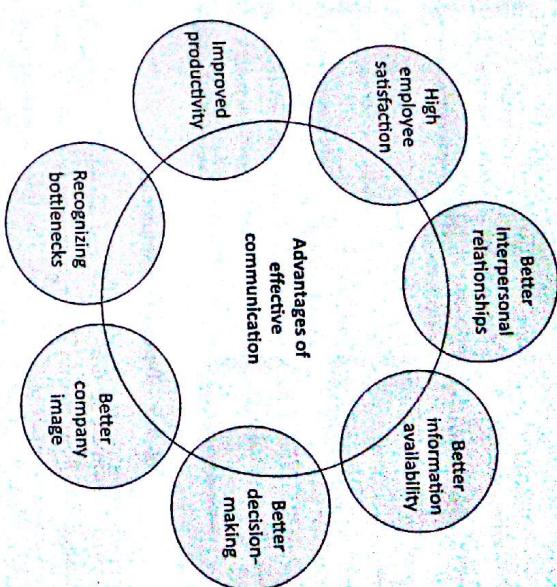
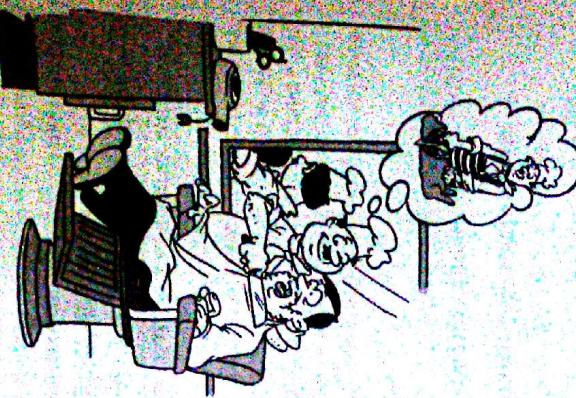


Fig. 1.4 Advantages of effective communication

The need for communication in any organization can be divided into three basic types. We primarily communicate to inform, to convince, and/or to request.

Communicate to inform When we communicate to convey something, we share a piece of information or knowledge. For example, we inform the shareholders about how the company is doing, or the clients regarding the progress at work and so on.

Communicate to convince The second type of communication is what is said when we are trying to convince someone about our ideas. We may need to convince a customer to buy our products. It could be an idea that we want our team members to accept or a new proposal that we are putting forward to the manager.

Communicate to request The third type of communication is what is conveyed when we are requesting for some information or data. For example, when we have to report the figures of sales, we write to the data operator to provide the information, or a situation wherein we are unaware of the policy of the company and consult the human resources (HR) person.

Now, all these put together form the general motives behind all the information that flows in the organization (and even outside it). Even gossips over lunch are a part of information sharing at workplace.

In the American Film Institute's list of top 100 quotes from American movies comes one of the most popular lines: 'What we've got here is a failure to communicate.' This line is from a 1967 movie, Cool Hand Luke.

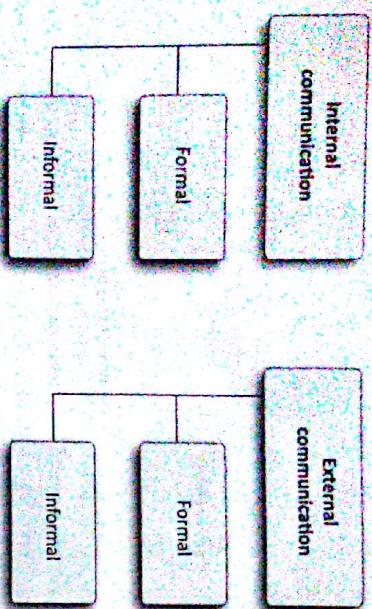


Fig. 1.5 Types of communication

These messages when summed up flow within and outside an organization in multiple ways or mediums. Any message that flows within the organization is *internal communication*, and anything that moves outside is called *external communication*. This internal and external communication can be further subdivided into formal and informal communication (see Fig. 1.5).

Obviously, when so many messages are being exchanged at various levels, there is bound to be an overload of information.

Internal Communication (Formal)

Internal communication is called *formal* when the communication happens within an organization in a planned and systematic manner. It may be from the top management to the junior-level employees, or it might also cut across horizontals, like the communication between the production manager and the human resources manager for the recruitment of employees on the production floor. Internal formal communication can be through emails, conference calls, telephone, messaging services, intranet, and corporate blogs.



Internal communication (Formal)

Internal Communication (Informal)

Internal communication is called *informal* when employees meet over lunch or have short discussions in the washroom or water coolers or at lunch. It can also happen through emails, messenger chats, blogs, face-to-face talks, and phone calls. It could be over the latest trend in office, the recent New Year party, a cricket match, etc. Informal communication network may also be on office-related issues. Informal internal communication helps reduce stress at work and also gives a good breather from everyday work.

It would be interesting to understand the interrelationship between formal and informal communication. While formal communication is mostly related to work, informal is the type

of communication at play when you are discussing issues that may or may not be related to work. Therefore, as a manager of an organization or your team, you should ensure that the formal communication demonstrates the qualities that you want your unit to possess, such as openness, clarity, and professionalism. This guidance would be a function of what you want your team to believe in. If you have a clear focus, the team or organization you head will also be motivated towards it. As a result, the informal communication will also become more productive. However, if you set a rigid approach, follow hierarchies, prevent employees from discussing their grievances, or suppress information, it will reflect in the informal conversations. You will find employees gossiping, not willing to join your team, and the focus towards work would be greatly affected. Therefore, remember that internal formal (as well as informal) communication is a significant parameter of the efficiency of the entire organization. External communication also shares similar characteristics. Before we discuss external communication, let us understand the concept of the grapevine.

Grapevine

A phenomenon called the grapevine is present in every organization. The grapevine is a way of expressing ourselves, venting our emotions, and reinstating the fact that humans are social beings. It is an informal communication channel that exists across organizations and cuts across all boundaries. The popular belief that grapevine passes on rumours and gossips, is only a part of the truth. Grapevines sometimes pass on critical and vital information, which when tapped can give very important clues and understanding of 'how things are going on'. It is bound to be present and cannot be controlled. The grapevine is an essential part of the workplace for the following reasons:

- *It helps release stress*—A lot of work-related stress and frustrations can be eased out through the grapevine. The opportunity for employees to share their grievances enables them to cope with the work pressures in a better fashion.
- *It provides feedback*—The grapevine provides valuable feedback on the overall quality of the workplace. The feedback can be utilized to introduce the changes required.
- *It provides a lot of new ideas*—A lot of new, innovative, and valuable information can be filtered from the grapevine. This information can be validated and used appropriately.
- *It helps in planning*—A lot of planning can be done by foreseeing what may be coming up. For instance, arrangements to deal with a possible strike or resignation in the future can be made by the management in time.

Exhibit 1.2 discusses the ways to discourage negative gossip and create a more efficient workplace.

Characteristics of Grapevine

The grapevine has the following characteristics:

- A lot of information passes through this medium (the credibility needs to be verified).
- Everywhere in the organization the grapevine exists. It can never cease to exist.

Internal communication (Informal)

EXHIBIT 1.2**Stopping the rumour mill at work**

There is zero tolerance for gossip at Select International Inc., and the 70 employees know that if they break the rule, their jobs are on the line. Kevin Klinvex, Select's co-founder and executive vice president, says that hurtful gossip can destroy a company and that creating a policy forbidding it helps employees to talk to each other directly about a problem, instead of hearing about the problem from others. This policy at the software package firm has helped create a strong, fast-growing company that increased its revenue by 60 percent between 2004 and 2006. *Smart Business* spoke with Klinvex about how to create a culture that doesn't tolerate gossip and the importance of getting out of the weeds and out of the way.

Q. How do you create a culture with a zero-gossip policy?

It's important to have an environment where people feel they count and are cared about. Create an environment where somebody says, 'I'm doing more than just going to work; I have relationships there that are meaningful and matter.' Culture should be fun and exciting, with a lot of kidding around and laughing and all that kind of stuff. But hurtful gossip destroys a department. Have a work environment where people feel safe and productive. Have a leadership philosophy where you say, 'I'm going to hire builders, get out of the way and not be controlling.' If your mentality is, 'If you want something done right, you have to do it yourself,' you're hiring the wrong people, and if you're hiring the right people, you're driving them crazy. Be open to feedback. If you're going to say you have a zero-gossip policy, then when you find out a person is gossiping or meeting behind closed doors with others and spreading rumors, act on that. We don't immediately walk up to the person and say, 'You're fired,' but we do walk up, collect the information and say, 'This cannot happen again, and if it does, then we will let you go,' and we actually do.

Q. How do you get employees to buy in to that culture?

It starts with the hiring process. Hire people who are smart, strong leaders and fit the culture. You will find people who are builders, cutters and maintainers. You'll see those passionate people who are builders, who are high achievers, who account for many of the great ideas and services in the company. You'll have maintainers — people who are there to pick up a pay check. They say, 'I'm not going to hurt the company or do great things to help the company; I'm going to do my job.' Then you have cutters who do damage to the company. One cutter can ruin an entire department. Fire your cutters. Don't rehabilitate them, try to work with them or try to put them in another department. Fire them, and get them out of your company as quickly as possible.

Q. How do you become open to feedback?

The first step is awareness. There is coaching and assessment where things come out, because oftentimes, it's part of a person's personality. Once you have that awareness, you become a different person. You don't have to go into a meeting having all the answers and feeling bad if you don't because no one thinks you had the answers to begin with. You were the only one who thought that. It's a work in progress of moving from that, 'I've got to look and dress like a CEO, and when I go into a meeting, I need to control and intimidate everybody.' When you're to the point of, 'I am who I am,' everybody breathes easier. Usually when you have a command-and-control culture, you have people who hold communication in because they're afraid to talk and afraid they're going to say the wrong thing and get their wrists slapped for it. When you have that culture of openness, it increases communication, and you get a lot better ideas.

Q. How do you get out of the way and allow employees to do work on their own?

Believe in the people you've hired. When you're in the weeds, you're not looking at the big picture

(Contd)

EXHIBIT 1.2 (Contd)

and can't be everywhere. Start to realize that what you need to do is keep up with the trends, the markets, the biggest clients, and decide where your company is going next. I got out because I was told to get out. Have that open culture with your leaders, where they can walk in and say, 'Get out of the weeds; we don't want you involved in the meetings anymore.' Listen to it. If you're not listening, you can't stay there and think, 'They

need me here; they need me everywhere.' Good people don't. They're smart and know their area better than you know it, so let them go. Ask for feedback of what they can do on their own, where they don't need you anymore.

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The disadvantages of the grapevine are as follows:

- **It can cause damage to the organizational image**—If uncontrolled, it causes a lot of damage to the organization. Rumours can cause a great deal of problems and misunderstandings, resulting in the damage to the company image.
- **It may not always be reliable**—One cannot blindly accept the information obtained from the grapevine.
- **The facts obtained should be validated before being accepted and acted upon.**
- **The grapevine can be counterproductive**—The grapevine cannot be the primary and the only source of information vis-à-vis the workplace and the employees. Too much reliance on rumours can lead to fruitless action and wastage of time and resources.
- **The original source cannot be traced**—Some people may purposely raise a noise on the basis of some perception, and, therefore, it may not require the attention or action on behalf of the management. The information should always be validated.

So, should you try and stop the grapevine? Chances of it working are virtually zero. Intelligent managers can, therefore, use this channel to pick up information. Effective managers do not try to stop the grapevine; instead, they use it to their advantage in tapping useful information and taking necessary steps to check issues that may need attention. For example, if there is a rumour that a lot of employees are going to quit this quarter, managers should take proactive steps in understanding whether this actually is true. If it is, take corrective steps. Another important aspect is that the grapevine criticizes inefficiency. As a manager if you get to sense any gossip going around, particularly those concerning professional grievances, you should act at the earliest to correct them.

The grapevine in a controlled state can give fruitful results. However, if the grapevine is left unchecked, it can cause severe damage to the reputation and culture of the organization.

EXTERNAL COMMUNICATION

External communication can be divided into two types as follows:

Formal

External formal communication takes place when official interaction occurs with outsiders (customers, vendors, and suppliers), for example, on the occasions of shareholders' meet, advertisements of products and services, meeting with suppliers and governmental agencies, etc. This interaction is an important part of the business, especially because companies are dependent on external parties for business. Besides,

with reference to the various business processes and decisions, the organizations are also responsible to the government, in particular, and to the society, at large. Hence, proper communication channels must be maintained with them.

The content and type of informal communication reflect on the work culture of the organization and its relationship with its employees. Therefore, informal communication, whether internal or external, must not be taken for granted.

Informal

External informal communication is a casual conversation with external vendors such as suppliers, employees in another organization, contractors, and even customers.

As in the case of internal formal and informal communication, the two types of external communication also influence each other. If the employees see the organization as transparent and friendly while they are communicating, the external informal communication will also be strong and meaningful. It will be demonstrated by the fact that employee referrals will be high and the positive word-of-mouth would spread faster. The opinion of the government, society, and people regarding the organization will be positive. It will further enhance the image of the firm in the market. Therefore, by good external communication (both formal and informal), the employees will in fact act as a brand ambassador of their organization.

External communication, formal or informal, can be through various mediums, such as a face-to-face conversation, emails, telephone calls, and instant messages.

FLOW OF INFORMATION WITHIN AN ORGANIZATION

Messages that flow within an organization are primarily of four types. They are as follows:

- Upward
- Downward
- Horizontal or lateral
- Diagonal or cross-communication

Upward Communication

Upward communication happens when a subordinate is trying to send a message or information to his/her manager (Fig. 1.6). It moves from bottom to top, and is mostly a source of information that becomes a key input in decision-making for the top management of the company. In addition, employees can have grievances regarding various issues. Upward communication helps improve loyalty amongst employees. When employees are heard and their suggestions are incorporated, they feel happy and enthusiastic at work. The challenge, however, in upward communication is that many managers do not accept genuine feedback and, therefore, subordinates hesitate to give feedback. Open-door policies fail in such an environment.

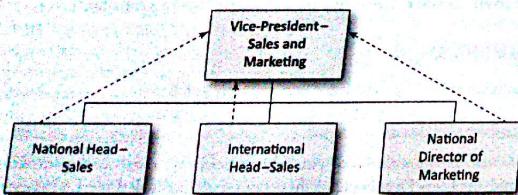


Fig. 1.6 Upward communication in an organization

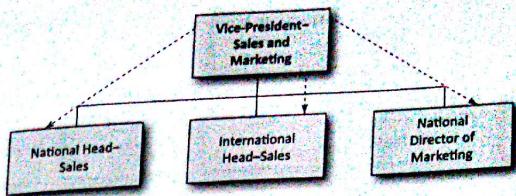


Fig. 1.7 Downward communication in an organization

Downward Communication

Downward communication is a type of communication that moves from the managers to their subordinates primarily with instructions (see Fig. 1.7). This communication moves down a typical hierarchical chain that is present in every company. Organizations that are rigid or are family-oriented businesses and are yet to embrace openness in their organizational structure lay too much focus on the 'instruction'-based communication. Open organizations, however, do not focus too much on hierarchy while communicating. However, instructions and preparation of vision and goal settings are done top down.

The challenge one may encounter in this type of communication is that the message sent by the managers to their subordinates may not be understood in the way it is intended. Information can be distorted. It is better to ensure that a feedback mechanism is put in place in cases of critical instructions so that the effectiveness of the instruction can be captured and any corrections can be made.

Another challenge that is often cited is the delay in communicating top down. Owing to the increasing span of control and increased responsibility, decisions that need intervention are often kept pending at the managers' desks. This delay can be effectively controlled if there is sufficient delegation of responsibility. Although this delegation may seem simple, managers often do not want to give up their powers and wish to retain the pleasure of getting the work done by themselves, even at the expense of efficiency.

Horizontal or Lateral Communication

Horizontal communication happens when you are communicating with another person at the same level (Fig. 1.8). It could be between two sales executives sitting in the same cubicle or two managers in different departments such as marketing and production. This communication happens throughout the organization, and in many cases, communication takes place among colleagues in different departments. Suppose you are the sales manager in your organization, the interaction could be on the allocation of budgets for which you might need to speak to the finance manager, or you may need to speak to the production manager for availability of goods. It could also be the HR manager that you must communicate with in order to arrange for training of your subordinates. It could even be when you need to speak to the finance manager to file your income-tax returns.

The reasons for communication could be to discuss issues related to work, such as sharing information, coordinating, and technical support, and resolving issues that may arise.

Websites you can surf: Read about the open-door policy on communication for ExxonMobil at <http://corporate.exxonmobil.com/en/investors/corporate-governance/code-of-ethics-and-business-conduct/our-code>. Employees at any point of time can ask questions and seek answers from the corporations. They also have a corporate hotline, where employees can raise their concerns.

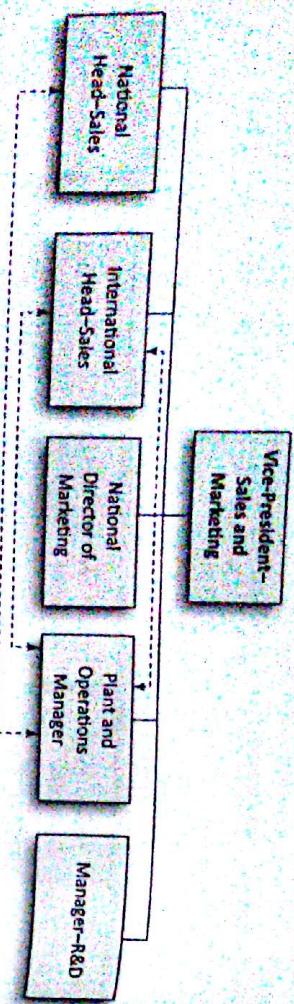


Fig. 1.8 Horizontal/Lateral communication in an organization

Diagonal or Cross-communication

Diagonal communication or cross-communication happens when employees may not have direct reporting relationships. For example, the accounts executive interacts with various departments and people for filing their returns. There could be other reasons for communication, like the human resources team's need for constant interaction with various other teams and people at various organizational hierarchies.

As you can see in Fig. 1.9, the trainers would need to connect to operations manager, marketing team, and also the senior vice-president to understand the various training requirements that their departments may individually have.

Web sites you can surf:

Have a look at the Mitsubishi organizational chart at <http://www.mitsubishi-corp.com/jp/en/about/org/>. How easy or difficult do you think it would be for the directors to communicate with the employees?

Now, combine all that we have discussed above in the form of an organizational structure and try and visualize the communication in totality. The figure would look something like Fig. 1.10. The arrows that have been shown are indicative, and there could be plenty of permutations and combinations that can work in one form or another. Communication could be in the upward, downward, horizontal, and diagonal channels. Almost everyone is communicating with someone in the organization through some means or the other. Interaction with the top management may be difficult for the junior employees on a daily basis, but many organizations try to keep this channel open in the present-day business scenario. Today, the emphasis is on making sure that there is no restriction on the free flow of information, and irrespective of ranks and designations, employees can be contacted. This is essential in today's knowledge economy.

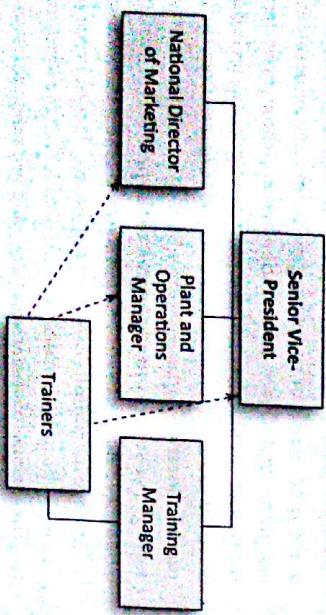


Fig. 1.9 Diagonal communication/Cross-communication in an organization

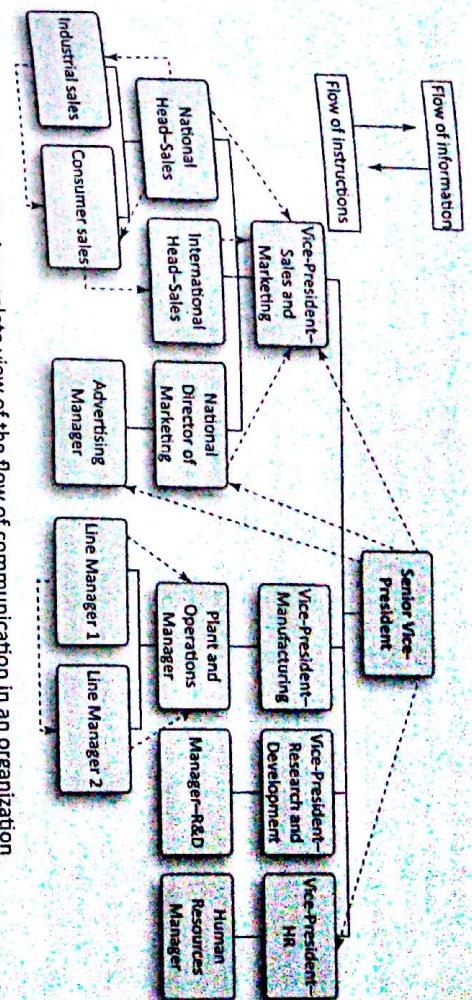


Fig. 1.10 A complete view of the flow of communication in an organization

To ... bindu@xyz.com
Cc...
Subject: Re: Allocation to the wrong department

Dear Bindu,
Thank you for bringing this to our notice. We will make this change and move you to the department concerned.
Regards,
Raj

From: Bindu
To: Raj
Subject: Allocation to the wrong department

Dear Raj,
I have been working in the research wing for the last three years, with C++ technology. Last October, I left for maternity leave. After I came back, I realized to my shock that I have been moved to the JAVA team post reorganization exercise that happened in November. I have contacted my immediate managers but they say that this transfer is difficult and I would need to learn and work with JAVA. This would be difficult owing to the fact that I now have a small child to take care of and I have opted to work part time. All my requests to the HR and my immediate managers have failed. Can you please help me out?
Regards,
Bindu

Fig. 1.11 Open communication

One more trend that has impacted business today is the *thinning* of organizational hierarchies. Organizations are today more open to ideas and thoughts. Open-door policies in organizations have

significantly changed the workplace. An open culture brings about a commitment and sense of ownership and loyalty at work. Organization structures are often no more a barrier to the free flow of communication.

However, there are companies that are still very hierarchy-oriented. Indian companies that are family-run businesses and are in the second, third, or fourth generation are often very rigid in how they communicate. Many of them have still not been able to come out of the typical hierarchy-driven communication.

Even a decade ago, the organizational structures were highly rigid, with little space for employees to jump even one level higher. However, today, many companies have moved away from this communication style and have ensured that there is free flow of communication across the organization.

Figure 1.11 depicts an example of emails across hierarchies. Bindu, a research associate, had written to Raj, the research director, for a change of team, and the change had been made. The mail depicts an organization that is open to communication.

Figure 1.12 is an example of another email depicting employees sending mails across hierarchies. Shankar, a sales executive, had written to Milind, the national sales head. The mail speaks about an organization that is closed to communication and does not even entertain discussion.

To ... Shankar@abc.com
Cc ...
Subject: Re: Re-look at the discount structures

Dear Shankar,

The suggested exception in the company policy will not be possible. In future, please avoid jumping the hierarchy and contact your regional sales head for any query.

Regards,
Milind

From: Shankar
To: Milind
Subject: Re-look at the discount structures

Dear Milind,

I am part of the industrial sales team at Bangalore. Our team is hoping to strike an important deal but the customer is asking for an additional bulk purchase discount of 2 per cent on the final bill. Milind, I understand that our current discount structures do not allow two per cent discount, nor can the payment be made with credit. But if we can make this deal a success, it will be a major achievement. The reputation of the client will also help us fetch more business.

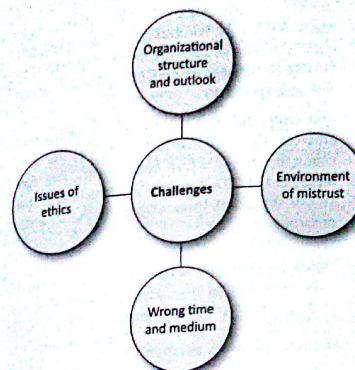
Please see if this could be treated as an exception to our existing policy and we could go ahead with the deal.

Regards,
Shankar

Fig. 1.12 Closed to communication

CHALLENGES IN ORGANIZATIONAL COMMUNICATION

People in organizations face many challenges while communicating. These challenges often act as bottlenecks in the free flow of information (Fig. 1.13). Some of the primary challenges that are faced by organizations are as follows:



Organizational Structure and Outlook

Every organization has a 'pattern' or way of communication. Organizations that are 'tall', or in other words, those that have a lot of hierarchical levels to the top, often face the issue of distorted communication as information finds it difficult to move up or down without it getting distorted. This happens because of our innate ability to interpret the message the way we want to. While passing the information to subordinates, we pass information that we believe would be essential to them. Similarly, organizations that are relatively flat or have a matrix design have more complicated structures, owing to a greater span of control and due to multiple reporting.

Exhibit 1.3 shows some important organizational structures.

Fig. 1.13 Challenges faced in organization communication

In addition, each organization has 'unwritten laws of communication', which are strictly followed. This is typically the case when you have to write to someone very senior in the hierarchy and can only do so through the manager. To reach the director, it may take weeks and months together as you would be at the mercy of all the people above you. This typically is a characteristic of family-owned businesses and sometimes even multinational corporations.

EXHIBIT 1.3

Changing organizational structures

The age-old organizational structures are passé, and new structures are coming in. There are three main reasons behind this.

- Virtual teams are working across multiple geographies and time zones.
- Resources are becoming scarce in supply and therefore there is a need to use them effectively.
- Decision-making is fast as well as critical and, therefore, the hierarchical lines have to be cut down.

The four major organizational structures are as given here:

Project structure Work is divided into groups or projects headed by a senior manager and has a mix of people who are aligned with the team. The team is responsible for the success or the failure of the project, and the team members are given some guidelines under which they should operate. All the projects are supported by enabling divisions such as HR, training, operations, and research. This

(Contd)

EXHIBIT 1.3 (Contd)

division of work is suitable for companies that are project-based. For example, companies that work with multiple clients.

Matrix structure Teams are formed and a person reports to two or more people or groups of people. There could be a straight line of reporting or it could be a dotted line of responsibility to another team. Matrix structure enables faster decision, but often employees do not find it comfortable reporting to two or more people as such a style of reporting often leads to conflicting ideologies and approach of two different managers they report to. For example, a training manager would report to the vice-president—human resources and also to the unit managers.

Straight-line structure The straight-line structure works for educational institutions or the defence

and other government departments wherein the structure is critical. In the armed forces, for example, this structure is most appropriate as hierarchies are critical to manage the command. However, this structure is a breeding ground for miscommunication and red tape. For example, a sales executive reports to a senior sales executive, who reports to a branch manager, who in turn reports to regional manager, and so on.

Unit structure The organization is divided into different units or departments, such as the marketing, finance, and R&D departments, and they report to the CEO. The units will internally follow any of the other three structures for internal reporting.

Self-assessment Exercise**How well do you understand organizational communication?**

Do you think...	Yes	No
1. communication is a waste of time, as employees will come to know of things, if there is a need?		
2. communication is only done through written or spoken word?		
3. communication means only interacting with people, writing letters and emails?		
4. You should not communicate with your manager's manager and pass your message only through manager?		
5. managers should ban grapevine?		
6. communication is not critical for success in the organization?		
7. appreciating other cultures is not important for success in your career?		
8. poor communication will not affect the morale of the employees of a company?		
9. Grapevine is a useless source of information?		
10. close door policy helps manage organizational communication?		

- An HR manager was asked to make a presentation to the management.
- Five yes; Three is suppose to be right.

Communication

• Nine or more yes; Four is good.

• Ten or more yes; Five is good.

• Assessment Result

The outlook of a company or its culture decides how employees may communicate. Some companies are extremely rigid, whereas some are flexible. Surprisingly, there are many Indian companies that do not reveal the email IDs of their CEOs even to their employees.

In many cases, the bigger the organizational structures, the more distorted the information that is conveyed. This is because information is passed through levels selectively (Exhibit 1.4).

The level of seniority plays a very critical role in organizational communication. For example, you may not send to your manager every forwarded email that you might get from your friends. Similarly, at managerial levels, managers might not pass down every bit of information that they have. It is also seen that managers as well as subordinates tailor their messages in such a way that the positive points are highlighted more than the negative points. This, however, depends on the nature of the manager or subordinate you work with.

There are organizations that do not encourage open-door policies (Exhibit 1.5). In many large or medium-scale companies, it is virtually impossible to get to the board members, regional heads, or even

EXHIBIT 1.4**Message not forwarded**

Kiran was an HR executive in a multinational company (MNC). She was very excited about her wedding and wanted to invite the CEO, whom she knew personally. The CEO, too, knew her by name.

When Kiran got the wedding cards printed, she gave one to her manager whom she was reporting to. Out of courtesy, she told the manager that she wanted to invite the CEO to the wedding. The manager casually asked Kiran to give him the card and said he would forward it to the CEO. Kiran did not want to disrespect her manager and did as she was told.

She forgot about this and, eventually, did not hear from the CEO. She thought he might have been too busy to respond to the invitation. One day, the CEO came down to the office where Kiran was located, went up to her desk, and exclaimed, 'Oh, so you have got married. So, where is my party?' Kiran was surprised and told him that she had invited him to the wedding and had really hoped he would come. The CEO said, 'But I did not receive any invitation.'

Your turn: What caution would you take if you had to pass on an invitation or message through a colleague or superior?

EXHIBIT 1.5**Six months for a photocopier**

Raju headed the department of research of a public sector company that employed over 1,000 people. He felt that his department needed more than one photocopying machine, because the team had to photocopy documents quite frequently. Raju wrote to the purchase department at Mumbai. This department could not process the request and sent it to the central purchases team in New Delhi, since the purchase was to cost over ₹5,000. After months of talks as to why an additional photocopier

was needed, and after the mail chain had circulated among at least 25 people, the request finally reached the board for the approval. However, since the board members were abroad, they could not approve it immediately. Finally, it took six months of follow-up for the request to be granted.

Your turn: Suppose you are facing a similar situation. Write a letter to your manager informing him about the unnecessary delay in the purchase of basic office equipment.

vice-presidents. They prefer to give instructions from behind closed doors, and their cabins are often restricted to select visitors.

Environment of Mistrust

Sometimes hierarchy breeds discrimination. Managers do not assign important tasks to their subordinates and, even if they do so, they indulge in micromanagement. Even for the simplest of issues, they insist that permission has to be taken. Freedom becomes virtually non-existent. For every move that a subordinate might take, the manager takes every caution to follow him. Very little independent work is assigned, and managers often hide information that could be critical for subordinates. Subordinates come to have virtually very little freedom to think and act out of the box.

Wrong Time and Medium

Choosing the right time and medium of communication is an area organizations do not concentrate upon. For example, during times of recession, when business is down and organizations want the employees to work even on weekends, it is essential for them to communicate this message in the right way. Sometimes, in such cases, the head office passes on a circular to employees without justifying the decision or providing any valid reasons.

In addition, in many organizations, mails float around every day reminding employees of policies and dos and don'ts. The frequency of these messages is so high that many people auto-set the inbox so that these mails are auto-forwarded to the junk folder.

Many organizations do not communicate strategic issues in the right way. Here's an example. One of the leading publishing houses of India was sold off overnight. The next morning, the employees came to work ignorant of the fact that their organization was owned by another company. When they learnt about it, panic struck and they spent the day floating CVs and visiting placement consultants. The panic reached a pinnacle when an entire branch resigned owing to the climate of uncertainty.

Companies often do not share good news with pride. It is often hidden somewhere, or is communicated by regional heads whose message does not have the same impact as a message sent by a board member.

Overload of messages is the norm today. It affects us both psychologically as well as physically. Often, in the process of getting rid of junk mails, we, by mistake, transfer important mails to the junk folder.

Issues of Ethics

The issues of ethics concern both internal and external communication. The recent case of Satyam Computer Services (2009) is an example of unethical external communication being transmitted over years to shareholders, customers, vendors, and employees. There is no dearth of similar issues that involve false propaganda and misrepresentation of facts. In the case of internal communication, when a subordinate does something good, the manager may pass this information on to his/her seniors, claiming the subordinate's achievement to be his/her own work, without any mention of the person who actually should get the credit.

It is important for companies to be tactful while communicating, but the line of difference between tactfulness and ethics often gets blurred.

Organizational communications face many challenges, and probably the biggest issue is that efforts are not made to resolve them. When the culture of a company is characterized by poor internal and external communication, it is the biggest barrier to organizational growth. Making positive changes then becomes difficult. When organizations do not work towards making communication effective, it causes grave problems later.

Improving Communication Channels

It is important to ensure that there is free flow of information across channels. Some of the strategies that companies may consider to improve the communication channels are given here:

• Improving downward communication

- ♦ Make employees familiar with the company's policies at the time of joining. Keep them aware of the various policy decisions.
- ♦ Hold regular meetings with the employees at lower levels.
- ♦ Organize open forums where employees can discuss work and personal issues.
- ♦ Work towards an open-door policy for the organization.
- ♦ Communicate with the subordinates on their performance on a regular basis.

• Improving upward communication

- ♦ Do not discourage subordinates from giving feedback.
- ♦ Listen to new ideas. Do not kill them at inception.
- ♦ Have jump-a-level meets where employees get to meet their immediate manager's manager.
- ♦ Address immediately any issues confronting employees.

In a knowledge-based economy, it is extremely essential to allow free movement of information. Employees today are far more educated about their work environment. The presence of social networking portals has provided employees with new platforms to connect to one another. In such circumstances, it would be foolish on the part of the organization to block the movement of information.

In downward or upward communication, it is important to facilitate the movement of information. Senior managers must try to ensure that there is a smooth flow of information across various levels of the organization.

WHAT IS EFFECTIVE BUSINESS COMMUNICATION?

We have seen in the earlier section the qualities demanded of a professional working in a corporate environment. Apart from the work that you do, where you are expected to excel, the need to communicate well is also equally important today. Whenever a business message is sent, it is essential that the message is crisp and conveys its intended meaning. Business communication is focused on the audience. The given email (Fig. 1.14) leaves some doubts in the minds of the reader and looks incomplete. It is not structured, and is highlighted with frustrations and negative feelings. The communication is not effective. Can you correct and rewrite it?

Figure 1.15 shows an email better than the previous one and is more professional. This email has structure and preciseness. It mildly highlights the negative issues and clearly sets the expectations of the upcoming meeting.

Today, when we refer to being effective while communicating, we refer to particular characteristics (see Fig. 1.16):

Being to-the-point Business messages need to be to-the-point. They should neither be overloaded nor be lacking in information. Unnecessary long sentences or beating around the bush can be a hurdle to effective communication. Many times speakers or presenters take a long time coming to the point. Even emails, which are supposed to convey crisp information, are made unnecessarily lengthy.

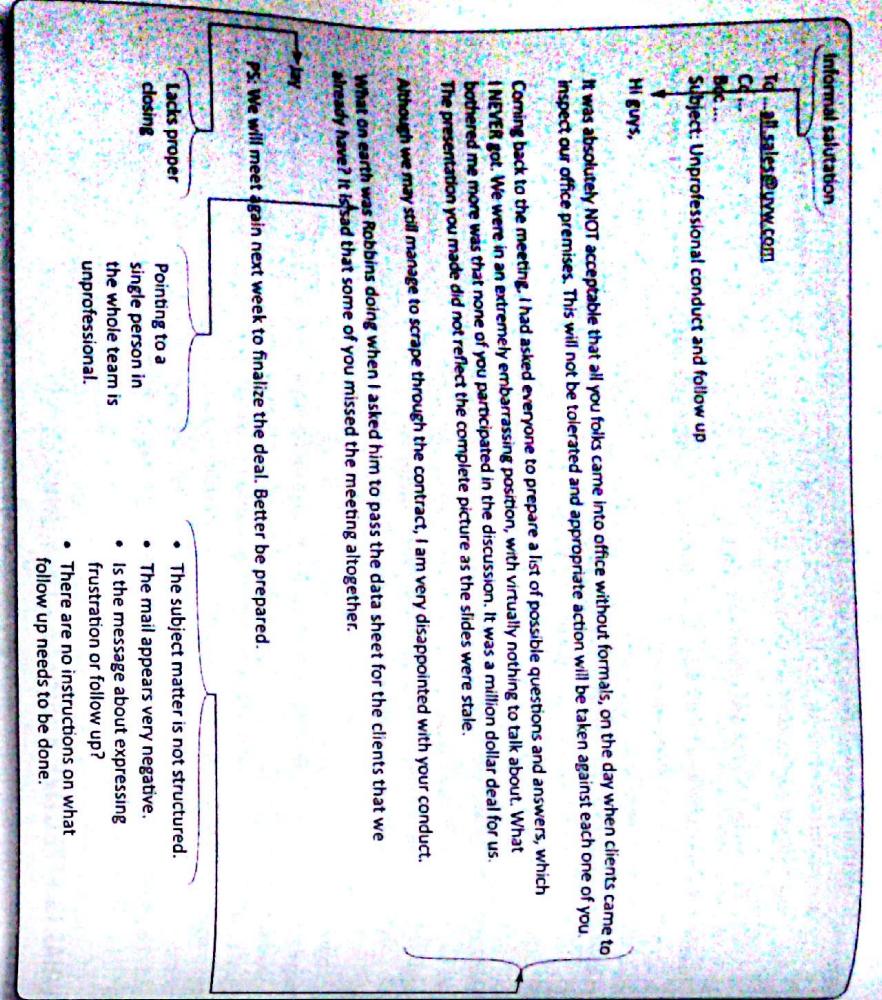


Fig. 1.14 An email lacking in professionalism

Sending practical messages The messages that are sent need to be practical. Unrealistic expectations, suggestions, or solutions do not serve any purpose.

Sending the right information Always send the right information. It is always better to check and re-check to avoid sending the wrong information. Similarly, while making presentations, if you are unsure of the answer, it is better to admit the fact than providing the wrong information.

Setting the tone of the message This can be done by making the expectations clear. Be it a meeting, corporate presentation, or a training session, it is essential that we start by setting the expectation or the tone. Before a meeting it could be, 'We are here to discuss about 1, 2, 3, 4 points ...' or before a presentation it could be, 'We are here to cover these topics today ...' or if it is a meeting with a client, you can specifically mention what is going to be discussed.

Being persuasive Another characteristic of effective business communication is to be persuasive without becoming pushy. Whether you are in a discussion on selling your product or conducting a training session or need an approval from your manager, the message must clearly highlight the positives.

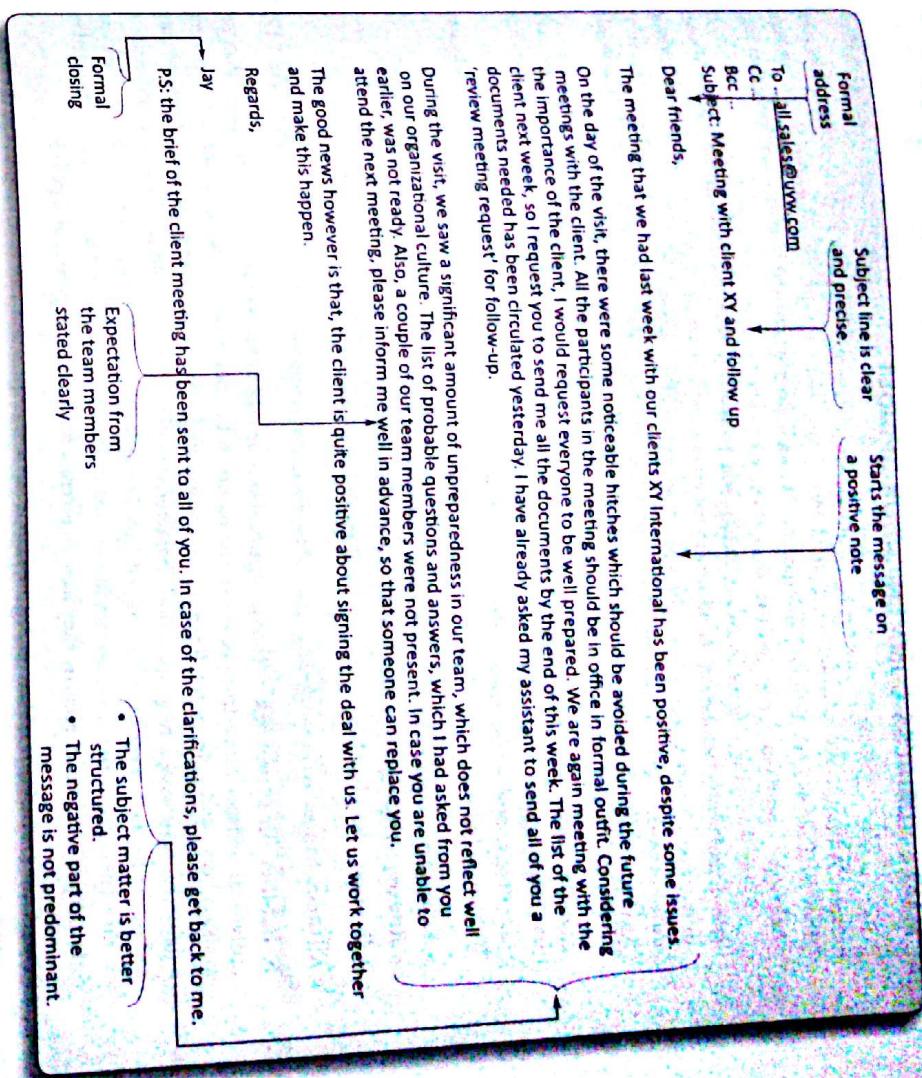


Fig. 1.15 A more professional email

Being to the point

When you are communicating, make sure that you are being to the point. You should be able to get your message across in the shortest time possible.

Sending practical messages The messages that are sent need to be practical. Unrealistic expectations, suggestions, or solutions do not serve any purpose.

Sending the right information Always send the right information. It is always better to check and re-check to avoid sending the wrong information. Similarly, while making presentations, if you are unsure of the answer, it is better to admit the fact than providing the wrong information.

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Being persuasive

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Fig. 1.16 Being effective in business communication

WHAT MAKES BUSINESS COMMUNICATION UNIQUE?

By now, you would appreciate the fact that business communication plays a very critical role in your career. All businesses, whether small-, medium-, or large-scale, are greatly influenced by the message they send across to their intended audiences. The messages that one sends are critical, and either may help solve a problem or may give rise to another problem.

When you speak to your friends or family, you generally have an informal attitude. Most of your friends and family members are familiar with your nature, so they are aware of how you behave. However, in business circumstances, you might have to interact with people you have never met before, from different cultures and nationalities. In such cases, their behaviour may be different from what you would have expected, and therefore you need to be culturally sensitive, all the time.

While you are replying to emails, the way you write for your friends and families would be different from the way you do it in business. Your business mails would need to be precise, with only the required information given.

A deeper understanding of today's business world would reveal some interesting developments. They are as follows:

- Reliability on teamwork
- Easy availability of information
- Rise of matrix organizations
- Influence of technology
- Business across borders
- Overload of information

All these changes in the workplace have led to changes in business communication patterns. (Fig. 1.17)

Reliability on teamwork Today, organizations are more focused on teamwork rather than on individual performances. Irrespective of the nature of businesses, the growing reliance on teamwork has been one of the major developments in the working environment today. Because of this growing reliance on teamwork, the pattern and characteristics of communications have also been influenced. Today, the focus is on communicating effectively in groups. In addition, it is not necessary that you would be working with the same team in a company. It is also possible that individuals are allocated to different projects and, therefore, they have to interact with different groups and people.

Rise of matrix organizations Organizations are working on a matrix structure, where the focus is not only on one team or project, but multiple teams and projects simultaneously. An employee may have two managers and, therefore, may report to two different sets of people. The work that one team does would be different from what another team does. This not only means an impact on the communication, but also on managing the dynamics of multiple teams and communicating with them simultaneously. This also means stronger and more efficient communication and the ability to adapt to any team.

Business across borders After the liberalization of the Indian economy, there were many companies that rapidly expanded into foreign markets. Similarly, investors from all over the world set up their offices in India to tap the vast potential of the Indian market. Therefore, the chances of having a foreign national working in a mid-sized Indian company are fairly high. In addition, the entry into foreign markets means that some of the clients of companies would be from abroad and there would also be a change in the way communication is done, because the behaviour of people from different nationalities would be different. For example, Europeans would prefer to have meetings start on time, whereas, on the contrary, Indians imply approximate time. So, a meeting at 10 a.m. would mean that a 10–15 minutes' delay would be tolerable. The more diverse your workforce, the more challenging it would be to communicate. Your Chinese counterparts would find it difficult to understand the

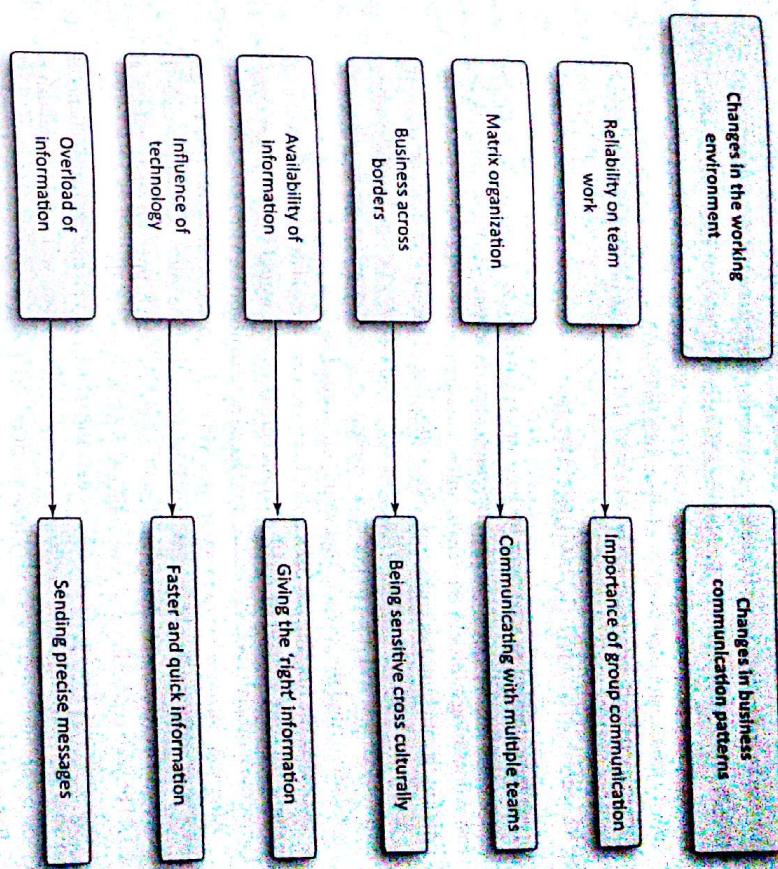


Fig. 1.17 Changes in the working environment and their impact on business communication

way Indians speak English, and would expect you to speak a little slowly during your presentations. The rule says, the more connected your business is with the world, the higher is the complexity in communication.

Easy availability of information There is virtually no dearth of information around us. Access to information is easier today with the availability of search engines and open-source databases. Plenty of online forums give valuable information, which are paid or free services. In this scenario, one difficulty that arises is the quality and credibility of information. Unless you are confident about the quality and credibility of the information, you cannot use it for your business. You should remember the aforementioned characteristics, particularly during external communication. This is primarily owing to two factors: *first*, customers today are more aware, and *second*, there may be other options available to them to get the same information.

Influence of technology We cannot undermine the importance of technology, because we have seen the changes influenced by it in our daily lives. The typewriter gave way to the computer long ago and today is the era of tablet computers. Besides, there are innumerable technological advancements that have impacted the way we do business. Today, the people with whom you are communicating whether they are your customers, vendors, or colleagues, expect faster responses and decisions. Any

delay in communication can cost you an important deal. Therefore, the employees in an organization need to be technology-savvy in order to cater to the expectations of the organization.

Overload of information In a business situation, we need to send and respond to a number of messages on a daily basis. Our minds tend to get cluttered with an overload of information. We may create a similar situation for others by our long mails with unnecessary information. In order to deal with this overload, we all should try to be brief and precise in our communication.

ENTREPRENEURSHIP AND COMMUNICATION

If you have decided to start your business or are planning for it sometime in the near future, your communication skills would be one of the most important assets for you. Starting a business and running and maintaining it initially is not easy, unless you are from a business family. Even if you wish to expand your family-run business, communication will be one of the most critical parts of your success.

Every new business starts with the generation of an idea. In case you do not have money to fund your own project, you will need to put up a proposal and try to convince prospective investors or venture capitalists to fund the project. That would mean good writing and presentation skills.

Even after the funding has been done, there are a lot of regulatory compliances in our country. For example, to start a chain of retail pharmaceutical outlets would involve negotiating and talking to government officials for drug licence. You would need to negotiate with them and persuade them as well.

After your business has been set up, you will need to look out for clients who will give you business. Since your company would be new, it will be difficult in the initial days to persuade them to do so as they might be reluctant in doing business with you. This can happen for many reasons, and one of them would be your credibility and your ability to provide a good deal to the client. For example, if you wish to start your own food and catering business and wish to serve larger industrial clients, they would look for your previous industrial catering experience—that is, you will need to establish your credibility. Good communication plays a very important role in this.

Expanding your business, raising capital, branding, and publicity would all require you to have superior communication skills. During the first initial public offer (IPO), when you have to raise money from the market, you will need to communicate with your banker, merchant banker, investors, and so on.

As an entrepreneur there is a need to effectively communicate with your employees. You will need to listen to your customers, employees, suppliers, and vendors to effectively manage the business. If you are looking for clients abroad, you will need to be sensitive to their cultures and etiquettes.

Success and failure for entrepreneurs depend largely on what they communicate and how they do it.

IMPACT OF TECHNOLOGY AND SOCIAL MEDIA ON COMMUNICATION

Technology has impacted business environment a great deal and continues to evolve at a breathtaking pace. The days of pagers and typewriters were over long back, and now the new era of portable technology such as smartphones, tablets, and ultrabooks is in. We are steadily moving towards paperless offices, although we have still not achieved it completely. Travelling for work has reduced, with more and more of communication being done through videoconferencing. Training programmes in organizations, which were earlier very costly, are being done through products such as WebEx and Skype.

With the rise of technology and the Internet, Social media has also grown in significance. Social media may be defined as an Internet-based application that is primarily used to exchange information virtually. The content generation and sharing in social media is done by the user. Today, social media has become an integral part of our lives at the workplace and has impacted the way we communicate.

connect, and build connections over business. Social media is being used to share, distribute, and discuss information that enables the business to keep a tab on their customers and employees 24 × 7. For example, blogs are popularly used by organizations today to seek feedback from employees on the new policies of the company.

Social media has been used by organizations and individuals for various purpose. *Infosys Bubble*, for example, is a platform used by the employees of Infosys for connecting with their colleagues. Some blogs posts can be written by the employees and the most popular of them are featured in the Infosys intranet. It allows employees to 'follow' their colleagues, and ask as well as post questions and facilitate knowledge sharing. One can also 'like' and 'share' posts.

The Taj Group of Hotels promotes itself with their videos posted on YouTube, which can be accessed by their customers round the clock. Companies such as Uber Cabs and Twitter India are now using social media tools to recruit.

Nokia has an internal social media communication team, which uses three primary platforms for employees to communicate, namely blog hub, video hub, and infopedia. The blog hub allows employees to communicate with people and contains a search engine where employees can find relevant information. It is also used to gather feedback from employees on various issues and allows employees to rate blog postings.

The following are some of the popular forms of social media, used in business for the purpose of communicating to both internal and external audiences:

Social networking Sites such as Facebook and LinkedIn are primarily used for interacting with friends, closed groups, commenting, giving opinions, and discussions. Organizations are using them today as a tool for promoting their products and services and inviting customers to freely discuss their services. Flipkart uses Facebook for updating its loyal base of users, informing customers about promotions and encouraging customer participation. Publishers like Oxford University Press use their Facebook page for updating the latest book launches and events organized by them. HCL uses Facebook for hiring people in their niche skill sets.

Photo and video sharing It is done using Internet-based applications such as YouTube, Flickr, interact with the audience by sharing photos or videos. It is an excellent tool for promotion and most organizations today use it to market their products and services. The Trident Group of Hotels, for example, uses Instagram for uploading pictures of their hotel property. Yash Raj Films uses YouTube for promoting its latest movie promotions and generate buzz. LIC of India has a YouTube channel for the promotional activities carried out by it and information about new services.

Microblogging sites Sites like Twitter focus on short updates (has character limitations) send out to people who subscribe to receive updates. Café Coffee Day, for example, created a quiz during the 2014 football world cup. The participants were required to follow Café Coffee Day on Twitter. ICICI Prudential Life Insurance, for example, used a Twitter campaign powered by the hashtag '#AchheBande'.

Blogs and Wikis Blogs are online forums that allow members and people to hold conversations by posting messages. The discussions revolve around the blog post. Companies use it today to discuss their internal policies or to seek feedback about new initiatives or generate new ideas. Rajandran R's blog named Market Calls that shares market tips is one of the most popular blogs in India. Similarly, Shraddha Sharma's blog for Indian entrepreneurs from where the entrepreneurs can partner with customers and suppliers is yet another popular blog in the Indian blogosphere. Wikis like Wikipedia, help by adding articles or changing the existing ones. Wikis can help with the sharing of information

especially among teams working as projects with greater collaboration. They can be used to maintain the notes for meetings, to do lists and calendars, and can be updated instantly. The explosive growth of social media has presented a unique opportunity for organizations and business to communicate with their internal and external stakeholders. Marketers are using the social media aggressively for marketing their products and services and also conducting online market surveys and research.

Social media provides the following advantages in communicating:

Knowledge sharing Social media can help employees share new ideas, think out of the box, and evolve an environment that allows creativity. It also allows virtual teams to collaborate and brainstorm. It can be nurtured with the help of blogs and forums. Networking can play a pivotal role and employees have the privilege of asking questions, answering them, and stay updated with the latest information. Traditional communication mediums never allowed working in parallel and sharing of knowledge instantly and brainstorming over ideas or facilitating a two-way connection instantly was difficult. For example, companies today use blogs for generation of new ideas from the employees, which are then used by the companies for various purposes such as cutting costs, developing new products and service lines, or working upon the new ideas.

On time information availability Employees can be connected to at any point of time, which will help them take intelligent and informed decisions. Rumours can be controlled to a great extent with the use of social media for internal communication purpose. Crisis communication can be managed very well with the help of social media communication. During the Malaysian airline crisis, the airline company kept their internal and external stakeholders updated about what was happening with the help of Facebook, Google Plus, and Twitter.

Engaged employees When employees are engaged with the right kind of communication and in time, it creates a differential advantage for the organization as well as the employees. Real time information on what is happening in the organization gives an edge over others. Boston Consulting Group uses social media for distributing content to its employees and for developing new businesses. They have been using Twitter for sharing content and interacting with followers.

Cost and time Cost of communication is reduced with a wide spread across time zones, various departments, and team. Since the access to these mediums is usually free and availability is 24×7 , there is no restriction on time. People can use them conveniently.

The following are some of the challenges associated with the use of social media:

Information technology challenges and security There is need for constant monitoring of conversations, because any sensitive information passing through needs check. Posting comments that are confidential can cause the company's image to be at stake. Further, there is a huge amount of collaboration that is needed to bring the technology infrastructure to a single platform. Data security is also a concern and it is to be ensured that data privacy is not breached.

Productivity loss Often, plenty of time is spent by people chatting informally and talking, which really does not add any value to the organization. Connecting without any purpose or using the network for something trivial causes productivity loss.

Bad news spreads faster The spread of news is fast, really very fast. The challenge comes especially in cases when bad news spreads fast. Even before responding to such situations, there is a lot of negativity that floats around. The crisis that loomed Spice Jet, during Holi, the crew flying the aircraft danced to a popular song was posted on YouTube. This was taken seriously by the Ministry of Civil Aviation. The airline did not get sufficient time to respond to the situation before the news was out to the people. (See Exhibit 1.6)

EXHIBIT 1.6

Domino's employees YouTube video

Two Domino's employees filmed a sickening video of them preparing sandwiches for delivery. It showed one of them putting cheese up his nose amongst many others. The fellow employee provided a narration of the activities. The sandwich was then supposed to be sent out to a customer. The video uploaded on YouTube, had over 5,00,000 views. The company jumped into action apologizing for the incident, shutting down the store, and firing the erring employees. An apology later published by the Domino's read, 'The opportunities and freedom of the Internet is wonderful, but comes with the

risk of anyone with a camera and an Internet link to cause a lot of damage, as in this case, where a couple of individuals suddenly overshadow the hard work performed by the 125,000 men and women working for Domino's across the nation and in 60 countries around the world.'

Sources: <http://adage.com/article/news/aftermath-domino-s-pr-disaster-video/136004/>, last accessed on 13 November 2014. http://www.nytimes.com/2009/04/16/business/media/16dominos.html?_r=0, last accessed on 13 November 2014.

Apart from these disadvantages, the other associated challenges are the need to have people to constantly monitor the social media presence and take effective action. Many professionals are required to keep the media up and running. Taking corrective action on deviations or discrepancies commented by stakeholders is also important. If not done properly, it may cause further damage to the reputation. Moreover, return on investments made on such social media communication is also difficult to quantify.

SUMMARY

The subject of business communication is of paramount importance, because the outlook of the employers and employees has significantly changed after liberalization. The way the 'talent pool' is being looked at by employers is different. Today, job seekers have the independence of working across various sectors and in various capacities and profiles. They also have the option of working independently. The outlook of the companies has changed, and they are trying to reduce their costs by having minimal human interference through the use of technology. Companies are now working with a minimal workforce and focusing on non-linear growth models. Companies are today looking out for potential future leaders, with varied work experience and possessing cross-cultural sensitivity and a willingness to learn. It is very crucial to be valuable to employers.

Success in business today depends not only on 'what you communicate' but also how well you communicate. Success and failure will depend on

your interaction with your internal and external customers. Messages flow within and outside an organization in multiple ways. Any message that flows within the organization is internal communication, and anything that moves outside is called external communication. Communication can be further subdivided into formal and informal communication.

Organizations face many challenges while communicating. These may be owing to organizational structure and outlook, importance of hierarchy in an organization, closed-door policy, mistrust, wrong time and medium, and ethical issues. The importance of business communication is important even if you contemplating starting your own venture.

The technological impact is severe, and technology has touched the way we communicate. However, it needs to be kept in mind that technology aids in communication but can never be a replacement for it.

KEY TERMS

Cross-cultural communication Communication that is done especially with people of different nationalities is known as cross-cultural communication.

Diagonal communication This happens when employees may not have direct reporting relationships but need to communicate.

Downward communication When communication flows from higher levels to lower levels, primarily in a downward direction, it is called downward communication.

Grapevine It is an informal channel through which 'unofficial' information passes. However, the important point is that the grapevine or rumour mills have some truth in them.

Horizontal communication When communication is done at the same level across the organization, it is horizontal communication.

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Internal and external customers The internal customers of a company are its employees, whereas the external customers are its shareholders, customers, suppliers, governmental agencies, and others.

Intranet A portal dedicated for employees for the purpose of accessing information, company updates, and other work-related details.

Matrix organization It is an organizational structure primarily to manage project-related scenarios wherein the need is to report to multiple managers for different activities.

Upward communication Upward communication is the communication that is done from lower levels to higher levels, primarily in an upward direction.

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EXERCISES**Multiple-choice Questions**

(A question can have multiple correct answers.)

1. The major changes that are happening in the workplace are
 - (i) issues related to stability
 - (ii) people wanting to earn higher salary
 - (iii) employees having a parallel career track
 - (iv) organizations not caring about employee turnover
2. Fresh graduates from business schools are looking for opportunities for entrepreneurship. It means
 - (i) many young graduates are venturing on their own
 - (ii) they are not depending on a single source of income
 - (iii) they are working on two or more projects in the same organization
 - (iv) they want to earn higher salaries from the starting
3. Employers today are looking for
 - (i) dynamic leaders
 - (ii) no work experience
 - (iii) cross-cultural sensitivity
 - (iv) task masters whose work is to manage at any cost
4. Which of the following statements are true to be valuable to your prospective employers?
 - (i) Understanding the goals of the company.
 - (ii) Matching your skill sets to company goals.
 - (iii) Demand lower salary.
 - (iv) Showing multitasking abilities.
5. Communication in organization helps to
 - (i) improve interpersonal relationships
 - (ii) increase bottlenecks
 - (iii) reduce productivity as a lot of time is wasted in it
 - (iv) encourages grapevine
6. Which of the following statements are true about organizational communication?
 - (i) Internal communication is called formal when the communication happens within an organization in an unplanned way
 - (ii) Internal informal communication can happen over emails, messenger chats, blogs, face-to-face talks, and phone calls
 - (iii) Formal communication is mostly related to work; informal communication may or may not be about work
 - (iv) Grapevine is a formal communication channel
7. Which of these is true about grapevine?
 - (i) It increases stress level in an organization.
 - (ii) It will never be true.
 - (iii) It cannot be trusted.
 - (iv) It helps in planning.
8. Which of the following are the challenges faced in organizational communication?
 - (i) Hierarchy
 - (ii) Grapevine
 - (iii) Good interpersonal relationships
 - (iv) Closed door policy

Concept-review Questions

1. What are the different needs and expectations of employers today?
2. What are the significant changes in the work environment today?
3. How does communication help in improving the productivity in an organization?
4. What are the characteristics of effective business communication?
5. What are the skill sets that employers are looking for in candidates today?
6. Why is mistrust among employees one of the biggest challenges of organizational communication?
7. The grapevine cannot be completely eliminated from organizations. Explain.
8. The flow of information and instructions is complex in an organization. Explain.

Critical Thinking Questions

1. You work in an MNC. The culture of the organization does not suit you. You feel that there is a need to change the type of work that you are doing as you are unhappy with it. However, you have worked only a year in the company. How do you manage your predicament? How do you

Justify your job hopping to a new prospective employer?

2. John has been a 'seasonal job hopper'. The reason why he has been doing it is his inability to cope with work pressure. He feels that there is now a need to move into a position that is more comfortable. How will he convince his prospective employers? If you are the recruiter, will you be convinced with what John has to say?
3. Consider this typical trend in a company. Even if a couple of people are sitting on the same floor a little apart, they do not come together for meetings. They prefer to take up discussions over conference calls or through VoIP. You feel that this is not right as the lack of face-to-face interaction increases the distance between the team members. What do you think can be done?
4. You are working on two projects simultaneously and the projects need you to report to two different sets of managers. However, most of the time the managers you report to are on a warpath, and in the process you end up in trouble. How do you plan to deal with this situation?
5. You are an entrepreneur. You have opened a small food joint that serves momos. However, the challenge is that there are not many takers for your product, because the concept of momos as a healthy food has still not been accepted by the people. How do you convince prospective customers?
6. You have huge volumes of email coming in, owing to your position and the job responsibility. On an average, you receive about 250 emails a day, and almost all of them need action from your end. The time that you spend on replying to emails leave you with no time to think out of the box or be creative. In addition, another challenge that you face is that most of your replies is one word or a sentence. You just cannot afford to write paragraphs of explanations. What will you do?
7. In the last quarter, you have started open forums in your organization, wherein employees can vent their feelings and ideas, and discuss work-related issues. However, the forums have not been well-received by the employees and the senior managers. The employees feel that the senior managers are too diplomatic in their

replies even on the most serious issues. The senior management does not want to participate as many 'uncomfortable' questions are often thrown at them. What should you do?

8. Ani works in a company that is extremely closed in its culture. It has an administrator who is old and very rigid. Every time someone goes out of office, he notes the time for which this person is out. Every day, employees are expected to clock in 10 hours, failing which there is a deduction from the salary. Ani is now tired of this company. However, she has decided to inform the CEO before she leaves. Would it be right for Ani to do this?

9. Ram works in an IT firm and is a technology geek. He feels that the subject of business communication is of no use and there is no point in learning it. However, you have understood the importance of business communication. Explain to him the importance of business communication in brief and how it will help in his career.
10. Romani, the CEO of a firm is planning to open up social media websites for the employees, which was earlier blocked by the IT department for misuse. In a recent employee survey however, a significant percentage of the employees wanted the access to these sites restored. Romani is OK with it, however wants a proper guideline and policy in place. Romani feels that there is also a need to educate employees before restoring access to social media sites. Advise Romani on what should be put up in the policy document? How will Romani educate the employees on the right usage practices of social media? Assume that Romani's firm is a large organization and employs more than 5000 people.

- In a survey done by Ajit and his team, the following top challenges were cited by the temporary employees:
1. Contact an MNC and meet business executives and managers from different profiles and positions. Find out how they try to be valuable to their employers? List the common qualities shared by the executives.
 2. Go to five organizations that were established at least 50 years ago. Learn from the senior managers the changes that they have registered in communication quality and style over the decades.

ROLE PLAY

Ajit, the CEO of a travel company has called for a meeting with his senior managers. Lately, he was receiving a series of complaints from their leading customers.

Ajit is worried about these complaints. While dealing with complaints is one of the daily challenges that his business has to face, complaints also cause a lot of disrepute in the travel industry. Ajit is also worried about the diverse set of team members working for the company across various cities in India and abroad. While his company is doing well in the travel market and has been seeing double-digit growth, he understands that there is a serious need to coordinate all activities together and ensure smoother communication with customers as well as between internal staff. Although employees have basic access to technology, there is a need to synchronize this effort. If not handled immediately, he understands that this may become a major bottleneck for the company in future.

The challenges arise because of many reasons. Ajit anticipates the mix of permanent and temporary employees as one of the major reasons why this effort is unsynchronized. While the temporary employees mostly undertake freelancing work for the company, such as follow up, calling up and feedback collection from existing and new customers, and soliciting new businesses and others, the permanent employees undertake business development, monitor the work of temporary employees, solicit new business, manage business channels, and oversee the B2B markets and other core operations of the business. While the temporary employees are paid strictly on the basis of their performance, the permanent employees of the company have a fixed salary and a variable component. Both types of employees share the same workplace; however, the temporary employees have greater freedom of working from home. Efficient communication with these set of people becomes difficult for Ajit and his team. The temporary employees are handed over tasks directly by their supervisor but do not have any email addresses created for them and neither do they receive any company updates or have any official channel of communication with the permanent employees. This has created many issues in the working environment. Higher attrition is one of the major problems amongst the temporary employees as they do not see any pride in working with the organization.

In a survey done by Ajit and his team, the following top challenges were cited by the temporary employees:

- Disorientation from what is happening in the company. Tasks or work are given without explaining the rationale or the purpose behind it. They often do not get any clear information on what is happening in the company such as new offers and sales promotions. Often during the calls that they make to their customers, they hear about events and discounts which they should have been aware of.
- Another problem that they face is the hierarchy in the organizational structure. If they need an approval, they need to go through a set of people. By the time the approval comes in, the customer has either deferred his/her decision or has chosen to use the services of some other travel company.
- While the temporary employees have been assigned tasks to communicate actively with their overseas customers about new offers and promotions, they are often not sufficiently trained to do so as the challenges to communicate with foreign clients is different from their Indian customers.
- There is no formal channel of communication to discuss issues that they face on a day-to-day basis with their managers.

Contd...

The following are the top challenges cited by the permanent employees:

- They do not receive the company updates, schemes, promotions, and offers on time. The intranet of the organization is rarely updated on time and the marketing team and the sales team rarely communicate to keep each other in sync.
- Inability to connect to the concerned employee on time, especially in cases where the employee works in the field and is not connected to the office. Reaching out to such employees and vice versa have become more difficult in recent days. Almost all of them believe that mobile communication is not a substitute face-to-face communication.
- Organizational structure is too hierarchical, especially on issues related to approvals and decision-making. The time to communicate is slow and this delayed decision-making is causing a revenue loss to the organization. Although this issue was communicated in the past, no appropriate action was taken.
- There is often a difference in what the marketing team mentions in its pre-presentation talks with the customers and what the sales team delivers. Promises often made by the marketing team are often too difficult to cater to or are not within the capability of the sales team. There appears a lack of synergy and communication between the two teams.

Activity Divide yourself into teams of four. Play the role of the CEO (Ajit), IT manager (Manish), HR manager (Vinu), the marketing manager (Suresh), and the sales manager (Vishwanath). Take necessary assumptions and discuss the critical issues that are on the agenda.

CASE STUDY

COMMUNICATION CRASH

ABC Pvt. Ltd, an FMCG (fast-moving consumer goods) company, had been going through tough times. The board of directors had decided to part with their loss-making division, Star Detergents, as a means to tackle the situation.

Rajan was the CEO of Star Detergents. He went for the board meeting at Mumbai. The board said, 'We have looked at the efforts that you have made, but we feel that we should sell off the detergent division. ABC is in urgent need of funds, and selling the division can help us achieve it.'

Rajan did not have much say against the board. He came back to his office, not happy with the board's decision, as he believed that many things could have been done to revive the company and the division.

As the firm was in a critical financial situation, the deal had to be signed urgently without much information circulation among the employees of the company.

Within a month Star Detergents was sold off. Rajan's secretary handed him a letter from the board that the company has been sold, that he has been fired, and that he was expected to leave the office before the end of the day. 'That was a bad end to my career,' he told himself. He left the office in frustration.

At the other end, it was another day at office for John, the regional manager (south) of Star Detergents. All the four regional managers, including him, had received a copy of the communication that the company had been sold off. There were not many details in the email. The regional manager called a meeting of the sales staff and informed them. The other cities in south joined in on a videoconference.

With the details of the new owner of the detergent division not available, there was anxiety and frustration on the faces of the people. No one knew what to do. The motivational levels were

*Contd...**Contd...*

down. People were surfing the Internet and TV news channels for more information. Every person in the office was busy reading the business newspapers to collect every small bit of information that may be available. John had called up Mumbai head office, but no information was available.

People flooded one another with mail, 'guessing' what would happen next. Would they be axed? Who bought the company? There were thousands of questions that were making the rounds, and the employees had no answer. The grapevine was strongly at work, and there were rumours on the new owners, their policies, and the prospects of being fired and of a complete reorganization of the company. Although John tried his best to maintain calm by asking employees not to speculate, things did not work. In the face of such uncertainty, John's advice did not make any sense to the employees.

In the absence of any clear direction from the management, the sales staff had to start their day. They packed their bags and went out for their daily sales calls. No one could believe that their company had been sold off without receiving any proper communication. Many people resigned out of the fear that they would be axed. Many had already started floating their CVs around. Many employees even dropped by the competitor's office to enquire for any suitable openings. The competitors took advantage of the situation and immediately offered jobs to some of the good people.

The growth of the detergent division and ABC had deteriorated owing to a major issue. Some people who were part of the management in Mumbai and were employed in the company for over a couple of decades were creating a typical hierarchical environment.

An open-door approach to solving problems was discouraged. Employees were expected to 'adhere' to the rules and protocols at all times. Seniority in position was a synonym for superiority and high-handedness, and subordinates were to communicate accordingly. In addition, the market was growing fast and technology was the in thing in the industry. The company was laidback vis-à-vis technology and did not even have an intranet in place even as the employee strength was increasing. This frequently led to poor flow of information, and there was virtually no contact with the top management through any medium. This had a most adverse impact on the company. Mistrust of the management was growing amongst the employees. Policies were being made and decisions were being taken without proper consultations with the employees. Even at the time of the unfortunate takeover, communication was minimal.

Questions

1. What could have been done to manage the situation better from an ABC perspective and from the perspective of the new company that bought it?
2. How could have John handled the situation better?
3. How can you manage such a crisis in an organization?

COMMUNICATION MANTRA

If the CEO sows the seed of communication, the benefits will trickle down the organization. If the CEO finds himself happy in a cocoon, employees will get into the same mode. The communication flow needs to trickle down from the top, because managers are respected often for their work and their ability to lead teams. If you want your company to be dynamic, respected, and open, get out of the chair and speak to your people. Let the culture flow down the hierarchical chain. Keep communication as a key performance indicator (KPI) for all of your managers. Understand how much time of their day they are spending talking to their people. The biggest crisis a company can ever face happens when the channels of communication have broken down. Let the channels open up. What you want to know from people may not be what they are telling you. So, talk to people. They will tell you what is right and what is not.

Remember that the more you communicate, the more you will learn and the deeper you will sow the seeds of communication in the company culture.