

## CHAPTER 2

### 2. LITERATURE REVIEW

#### 2.1 Business Communication

Business communication is defined by Rosenblatt, Cheatham and Watt (1977) in their book *Communication In Business* as the purposive interchanges of ideas, opinions, information, instructions, and the like, presented personally or impersonally by symbol or signal so as to attain the goals of an organisation. A continuous supply of information, and a dependable communication system both for receiving and disseminating information are crucial for the smooth running of a business.

#### 2.2 Communication for Influence

Communication is employed to influence individuals and groups personally and impersonally, directly or indirectly, internally or externally. By "influence," we mean to motivate, persuade or control behaviour in a predetermined direction (Rosenblatt, Cheatham, Watt 1977). Communication process in business is one of the least understood facet of a firm which needs more scrutiny by top management. Peter Drucker (1967: 65), wrote in *The Effective Executive*:

"Communications have been in the centre of managerial attention these last twenty years or more. In business, in public administration, in armed services, in hospitals, in all major institutions of modern society, there has

been great concern with communications. Results to date have been meager. Communications are by and large just as poor today as they were twenty or thirty years ago when we first became aware of the need for, and lack of adequate communications in modern organisations.”

Organisational communications are concerned with how information flows within the formal structure of a company, how managers use information, and how informal communications takes place among organisational members. In addition, it is also important for activities linking organisations with outside constituents such as customers, investors, lenders, suppliers and others in society who may be affected by the operations of a company. Consequently, in addition to internal systems of communication, organisational communication includes public relations, marketing, purchasing and procurement, shareholder relations, and community relations.

### **2.3 Communication for Information**

Internal communication systems are often described in terms of managerial communications. Henry Mintzberg has identified the informational role as one of the major responsibilities of all managers. Studies have shown that top executives are spending 90% of their time communicating in a variety of ways such as face to face in meetings, speeches, written messages and reports. Communication patterns in organisation between managers and their subordinates, among peers and between individuals and their superiors are affected by organisational structure (Holt, 1993: 514).

Communication programs are designed to keep employees informed of what is happening in the organisation so that they are knowledgeable of the policies and procedures affecting them (De Cenzo, 1994: 550). Communication programs also serve as a basis for increasing employee loyalty and commitment. By building into the corporate culture a systematic means through which information can be disseminated reliably and in timely manner employees may perceive that the organisation values them. Such a system builds trust and openness among organisational members.

Organisations may undergo restructuring from time to time to reduce cost and to increase competitiveness. A true test of a firm's communication effectiveness is how well it worked in times of major organisational change (Robbins, 1996). To handle this uncertainty, management needs to collect information to help them make decisions. The information must be processed, selected, or rejected before being stored for future use or distributed to organisational members or to outside stakeholders of the organisation (March & Simon, 1958; Katz & Kahn, 1966; Buckley, 1967).

There are two major structural factors that affect the patterns of internal verbal communication : diversity and the distribution of power and status. As the diversity increases, it becomes more set systems and mechanisms of communication. In addition, differences in power and status among job occupants in an organisation are likely to inhibit the rate of feedback communication (Thompson, 1961) Diversity may encompass the variety of tasks and the degree of uncertainty ( March and Simon, 1958; Thompson,

1967; Perrow, 1967; Hage and Aiken, 1969). The greater the environmental variability, the greater the work related uncertainty and therefore, the greater the amount of information processing required to accomplish the communication task.

## **2.4 Communication for Change**

Any change in an organisation creates some form of reluctance or resistance. People like to be in control of their environment, and any change to the status quo threatens that ability. Thus, there will emerge a desire to get back to a sense of stability. The extent change is welcomed is directly related to the degree of power one has control over the environment. The less power one possesses and the fewer options one has, the higher the probability for resisting change. Resistance is often the expression of a desire for a greater sense of rationale, context and continuity. However, changes that appear positive or sensible, may prompt the people affected to approach them warily checking for implications and running through possible scenarios and possibilities.

There are some underlying reasons why initiatives for change may be bogged down. There may be a lack of understanding of the need to change. People did not share the urgency to change. Some may feel that certain changes violate the core values of the organisation. Professional specialists and knowledge workers may resist changes that are not aligned with their professional values. Others may misunderstand the rationale for change and

its implications. A change may be perceived to be not in the best interest of the organisation. Actual interpretation of a change and its apparent benefits may differ significantly between organisational members and those responsible for introducing change. There may be a lack of trust in those introducing change especially if the relationship between those introducing change and those affected by it (Quirke, 1996). In brief, business communication may be hindered by such factors as follows;

a. Changing attitudes and needs of employees. "Employees, blue collar and white collar, will no longer tolerate merely being numbers. They want to be more fully informed about company policies and programs" (Weiss, 1971:51). New lines of communication have to be established using innovative methods.

b. Growth in the size of business will increase the problems of communication. Today, a top executive knows only a few people on the upper managerial levels and has little or no contact with the vast number of employees (Rosenblatt, 1977; Cheatham, 1977; Watt, 1977:16).

c. Increasing complexity of the organisation with regards to technology and the environment have contributed to the need for organisation to cope with many diverse. The need for coordination through communication becomes more critical (Rosenblatt, 1977; Cheatham, 1977; Watt, 1977).

d. Data and information explosion places great burden on the communication system to see that information is gathered, analysed,

retrieved and distributed to those needing such material (Rosenblatt, 1977; Cheatham, 1977; Watt, 1977).

e. Increasing competitive pressures require accurate and rapid communication for organisations to become more efficient in manufacturing and marketing (Rosenblatt, 1977; Cheatham, 1977; Watt, 1977:16).

f. Society is demanding improvement in the quality of life and business corporations must be responsive to this need. There is a greater need for continuous dialogue between business firms and the general public (Rosenblatt, 1977; Cheatham, 1977; Watt, 1977).

g. Increased government regulation which require vast amounts of raw data and detailed reports. Business must be more responsive to the needs and desires of society and practice self regulation and self discipline. Business corporations must inform through communication what has been done, what is being done, and what is planned for the future (Rosenblatt, 1977; Cheatham, 1977; Watt, 1977:16)

## **2.5 Barriers to Effective Organisational Communication**

Barriers to effective communication may exist between departments in a business, between managers and subordinates, or between individuals at the same level of operations anywhere within the organisation . Barriers to

effective communication between people and units of organisations are of three broad types:

a. Physical: Environmental factors can reduce or prevent the sending and receiving of messages. Physical interference may include distance, distracting noise, and the breakdown or ineffective use of communication media such as telephones and interoffice memoranda.

b. Personal: Differences in the personal and psychological makeup of individuals may create barriers between people.

c. Semantic: The idiosyncrasies of language, such as multiple meanings of words and differences in connotations, and interpretations of language from individual experience may cause breakdown in communication.

Among these three broad types, there can be many specific barriers. Many of these dealt with general communication or interpersonal communication obstacles. Six specific organisational barriers will be discussed here. They are:

a. Lack of a communication policy. Few companies have clear cut or written policies dealing with internal or external communication. Few corporations attempt to create a climate that is conducive to communication within the organisation which encourages free ranging discussion and exchange of ideas among organisational members.

b. Authoritarian attitude of management. Without a clear cut policy encouraging upward communication, Attitude of “ I give the orders, you carry them out” is prevalent among many managers and supervisors. Upward communication is important to manager as it reveals how well ideas, policies and work rules have been accepted and implemented.

c. Poorly defined authority and responsibility. The organisation structure may not show where the true authority and responsibility is vested. Communications may bypass individuals or levels by design or through lack of understanding.

d. Multiple hierarchical levels. A message must be transmitted through many levels of management will encounter more chances for distortion or delay or a failure its destination.

e. Lack of training in communication may result because communication is sorely neglected and often regarded as a trivial portion of another program. Communication training is important not only for managerial purpose but acts as a moral builders (Rosenblatt, 1977; Cheatham, 1977; Watt, 1977).

f. Differences in power and status among organisational members. As social distance between various levels increases, the flow of information is reduced (Barnard, 1964). Similarly, the threat of sanctions from the top may discourage frank discussion of problems. Thus, organisational decision



makers may not be aware of the existence of problems until a crisis has occurred (Blau & Scott, 1962; Barnard, 1964).