CHAPTER 2

LITERATURE REVIEW
Section 2.1

Aspects of Business Communication

Along with exploring business communication and identifying factors and their attributes affecting business communication, it was important to explore certain more aspects like,

- Role of Business communication and its importance in the contemporary corporate world
- Corporate needs towards business communication
- Challenges faced by working professionals in corporate world and skill sets required to overcome them
- Role of B-schools in developing management students as skilled communicators
- Challenges faced by B-schools while training their students in business communication
- How companies in other countries manage business communication requirements where global language is a foreign language

To explore the above mentioned aspects, research papers were referred and to get the theoretical understanding on the business communication, communication theories and subject books were referred.

What is Business Communication?

The word “Communicate” come from the Latin verb “Communicare” that means to impart, to participate, to share and to make common. By virtue of its Latin origin, it is also the source of the English word “Common”. (Bergin F.1981) Thus communication is defined as a two way process where the message sent by the sender should be interpreted in the same terms by the recipient.

(Communication is defined. n.d.)

Lesikar et al affirm the significance of communication and linguistic capabilities and English language proficiency in the twenty-first century marketplace as reiterated recently by the Knowledge Commission. (Lesikar,2009)
The communication needs to be practical, factual, concise, clear and persuasive in order to be effective. Effective communication helps in anticipating problems, make decisions, coordinate work flow, supervise others, develop relationships, and promote products and leads to the enhanced productivity. Effective communication helps in making the positive impression on the stakeholders and leads to the enhanced productivity thus it is an essence of management.

The basic functions of management - Planning, Organizing, Staffing, Directing and Controlling cannot be performed well without effective communication. Business communication involves constant flow of information and it is goal oriented. Effective business communication helps in establishing credibility and goodwill. Thus we can say that “Business communication is the appropriate communication in the business environment with an objective to help in improving the profitability of the business”.

If communication is a process to create, sustain and manage meaning while interacting”, Business Communication is competent communication means it is both effective (goal oriented) and appropriate. (Samenvatting,Dainton,Zelley,2005)

The term business communication is used for all messages that we send and receive for official purposes. Business Communication is the sharing of information related to business activities and their results. “It is the exchange of business related ideas and information to achieve the organizational goals.”

In earlier times, business communication was limited to paper-work, telephone calls etc. But now with advent of technology, we have cell phones, video conferencing, emails and satellite communication to support business communication. Effective business communication helps in building goodwill of an organization.

According to Prof. J. Haste, “Communication occurred between two or more businessmen for organizing and administering business efficiently is called business communication”.

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Professor W.H. Meaning opines that, “The exchange of ideas, news and views in connection with business among the related parties is called Business Communication.”

According to Mr. Brennan, “Business Communication is the expression, channelling and interchanging of ideas in commerce and industry. It is the exchange of business related ideas and information to achieve the organizational goals.”

William G. Scott opines, “Business communication is a process which involves the transmission and accurate replication of ideas ensured by feedback for the purpose of eliciting actions which will accomplish organisational goals.”

Business Communication - Operational definition: With the help of above business communication definitions and considering the research topic operational definition of business communication was developed. It is as below,

“The business communication is used to promote products, services and organizations and to communicate with all the stakeholders of the business. It is an appropriate communication in the business environment with an objective to achieve the organizational goals.” (Verma and Pande, 2014)

This operational definition is more comprehensive and can give a better understanding if any management student wants to understand business communication.

Communication: A necessary leadership skill

Leadership communication has been defined as the: “controlled, purposeful transfer of meaning by which leaders influence a single person, a group, an organisation, or a community” (Barrett, 2006). A communicative leader is one who engages employees in dialogue, actively shares and seeks feedback, practices participative decision making, and is perceived as open and involved

In today’s world of globalization, where world has shrunken and companies from different countries and different regions have to work on the common platform and survive in this competitive world, the need has aroused and clearly understood by all who
want to compete in the global race that they have to master the international business language.

In fact this is not something which has been realized only now. Importance of right communication skills was emphasized long ago. In the ancient times, the famous king maker Kautilya had also put lot of emphasis on communication skills (verbal and non-verbal) for the leaders. Kautilya’s teaching holds very true for the modern management. Even in today’s world we can see superior communication skills in political leaders, business leaders and modern day management gurus. We also have numerous examples wherein people have suffered with their position because of their impact less communication skills. (Verma. D, 2013)

In the multinational environment, companies are operating in various countries where local language, working environment, culture, markets, customer behaviors and expectations are different. Thus if companies want to capture the global market, they will have to come out of their countries and strategically locate their offices in different countries. In a typical multinational model they hire local staff for the operations which are driven and managed by the parent company. A leader is appointed from the parent company to manage the local staff and is based on that particular office location. It becomes very important for the leader to communicate well and give clear directions to his team so that they remain motivated and achieve the desired results.

In order to substantiate the above stated facts and understand the importance of business communication we have studied some of the relevant papers. They all have given us lot of understanding on business communication and what is happening around the world with reference to the international business language.

According to Kautilya, an ideal leader is one who has the highest qualities of leadership, intellect, energy and personal attributes. Kautilya says the potential exists within the person, however appropriate training is required to develop it further. A man attains greatness by its merits, not simply by occupying an exalted seat. (Nitishastra)

Kautilya has given lot of emphasis on strategic communication for leaders. Strategic communication is getting the right message, through the right media, to the right audience.
at the right time and with the right effect. It implies effectively reaching and communicating clearly to a targeted audience with specific constraints. He sighted various scenarios (addressing own troops at the wartime, talking to enemy, talking to own people at crisis and in peace) where appropriate communication is required to get the things done.

Kautilya also talked about the importance and impact of nonverbal communication. Leader should always demonstrate right kind of expressions and gestures while communicating. He stated 5 ‘must have’ qualities in a leader and they are - Visionary, Strategist, Able administrator, Effective communicator and Team Player (Jain N. & Mukherjee S. 2009)

Kings and Rulers of earlier times can be compared with today’s Business leaders in most aspects of leadership qualities. Kautilya’s above stated leader’s qualities are very true and must be possessed by modern day business leaders.

There are numerous books, articles and dissertations on leadership than any other topic of management. The sheer volume of research and writing about the concept of leadership tells us that this is neither a topic that is easily defined, nor one where there will be a great deal of consensus. There is just one thing for which all these authorities agree upon i.e. effective leaders are also effective communicators. However the reverse is not necessarily agreed upon – good communicators do not necessarily make good leaders. (Clutterbuck D. &Hirst S. 2002)

Leaders can achieve success through a combination of having a clear vision of the way forward, honest communication, effective teamwork, and demonstrating that they value the people who work for them.

In these testing times, survival can depend upon being able to keep close to the ‘skin’ of the business, managing costs tightly and preparing for the upturn when it comes. Leaders need strong communication skills so they can deal with anything that comes their way with sensitivity. (Survival can depend upon , n.d.)
In the business world, good communication is not only important for the daily operation of the company, but can also affect sales and profitability. Without good business communication, the internal and external structure of a business can face numerous challenges that can ultimately lead to its demise. (Kristie Lorette, n.d.)

Bennis describes skills of a leader as four management competencies. Central to each of these competencies is effective communication. They are as below:

- **Management of Attention:** describes how leaders encapsulate a vision, which other people are able to endorse and buy into as their own

- **Management of Meaning:** Ability to communicate clearly and successfully

- **Management of Trust:** It binds the followers and leaders together

- **Management of Self:** Is what gives leader credibility (Bennis, W and Nanus, B., 1985)

Most management training focuses on processes and procedures, which on its own is inadequate. Managers and those in positions of leadership need to know how to get the best out of the workforce, which requires a combination of awareness and excellent spoken communication skills.

Whether someone is speaking to colleagues or clients, addressing customers or the media, or asking for a promotion, there will be parts of the conversation which would have had a greater impact, if they had been communicated more effectively. Many assume that some people are natural-born communicators, but it is in fact possible for anyone to become a more proficient speaker by improving his / her leadership skills and business credentials.

Managers and other business leaders must also know how to listen. In order to motivate and influence those around them, those in a leadership role must display a capacity to “negotiate”. This is not to say that every conversation is a conflict but that a manager should make sure that they have the clearest possible picture of the views of everyone else involved.
If it is apparent that a manager does not have the least bit of interest in what a colleague thinks or feels, then that is a sure route to creating disillusionment and bad feeling.

However, with effective questioning and open body language it is possible to establish the goodwill of the other party who is then more likely to be motivated by what has been said if they feel that their point of view has been taken into consideration. It is impossible to become a great leader without being a great communicator. (Mike Mayyat, 2012)

It is absolutely important to give emphasis and understand Nonverbal communication as words only constitutes 7% of the communication and rest 93% is gestures, facial expressions and body language. (Borg James, 2010)

The meaning of non-verbal communication is not to be found either in words or the accompanying actions, but rather in the relationship of each other, and also in the context of the situation in which they occur. Nonverbal communication becomes the yardstick against which words and intentions are measured. If you want to become a better communicator, it’s important to become more sensitive not only to the body language and nonverbal cues of others, but also to your own. (James Poon TengFatt, 1998)

Considering that communication is important in human life, and that nonverbal communication can continuously transmit information, and that knowledge and human power are synonymous, a thorough knowledge of the processes and uses of non-verbal communication can help managers to enhance their power as measured by monetary success in the business world. (Jeanne Segal, Melinda Smith, Greg Boose, and Jaelline Jaffe, 2014)

Effective communication skills are an important aspect of any leader’s portfolio of skills and experience. (Leigh Anthony, n.d.) Effective communication skills are tantamount to the success of an organization. Responsible leaders communicate effectively. They work hard to prevent bottlenecks and keep channels open up, down, and throughout the organization by,

(1) Establishing an appropriate working climate and adjusting their communication behavior to fit the situation.
(2) Practicing techniques to improve communication in their organization. (Dan B. Curtis, Jerry L. Winsor, and Ron Stephens, 1985)

Effective leaders communicate strategically, translating important business objectives into terms through which employees readily understand 'what's in it for me?' Communication skills are increasingly regarded as a critical skill set for leaders, particularly in situations where the leader is an instrumental driver of change. (Jo-Anne Facey, n.d.)

All the leaders share three critically important skills: They have been driven by an inspiring vision of success, they have excelled at communication and they have exercised superior judgment. (John Ryan, 2009)

Effective communication is especially important to Air Force leaders. In a study of over 500 leaders from a variety of Air Force organizations, Dr. Richard I. Lester found that ineffective communication was rated as the number one concern. The primary responsibility for communication in any organization rests with those in leadership positions, since subordinates take cues on how to communicate from those above them. (John A. Kline, n.d.)

Areas of essential learning for the new entrant in the corporate world:

1. **Life skills** - The skills of living together, of social interactions, of relating actions and consequences, of understanding and managing money, of problem-solving and creative thinking, of value judgments, of future planning, of reasoning. Such things are learned from the home upbringing, social environment, religious background, partly from school, and reinforced by experience.

2. **Work skills** - These are the skills required to perform and to grow in one’s chosen occupation and will be gained in various ways – experience, apprenticeship, trainee schemes, attachment and in today’s environment, if one is to be successful this learning must be continuous.

3. **The workplace** - This is the area of the unknown which one enters with a measure of uncertainty. Obviously there is much to learn but it is suggested that there are things
which can and should be learned before appointment, regardless of the occupation. Consider, for instance: the structure of organizations and their interactions; the meaning and the management of money in business including the components of profit and loss in the corporate, the public sector, and small business (in general terms); defining the market and its dominance; business relationships and goodwill; teamwork with purpose and direction; the nature of competition; the communication process; the significance of “If you can’t measure you can’t manage”; and the need to build personal stepping stones. (Gordon Rabey, 2008)

More than the above skills it is imperative that the new entrant is proficient in communication skills. We can hereby elaborate on the required communication skills,

4. Communication skills – spoken, written, computer; an ability to meet defined standards of quantity, quality, cost, completion, and time keeping; interpersonal skills – a team player; good public relationships; acceptance of appropriate authority; initiative – a self-starter; a sense of purpose and direction; problem solving skills, constructive thinking; and show whether one is job hunting or career seeking (Gordon Rabey, 2008)

5. Challenges of Business World:
The process of communication is fundamental to nearly all the organizational activities. But effective communication is often more difficult. In survey of the managers, communication repeatedly ranks high as an area of concern. (A.B.RamiShani & James B. Lau, 2000). In an organization simply sending a message doesn’t mean that you have effectively communicated (James S. O’Rourke, 2001). Perception gaps between the leader and follower de-motivate the follower, impair the business relationship between them and reduce the business performance of both. There are two gaps in perception. The first is between the conscious intent of the leader and the manifestation of that intent. Key causes are stress, subconscious intent or poor communication by the leader. The second gap is between manifestation of intent by the leader and the impact on the follower. The causes here are the environment in which the communication occurs and the poor listening skills or mind-set of the follower. (Rupert Eales-White, 2004)
Management communication plays a very important role in case of organizational change. If employees are satisfied with management communication with respect to the organizational change, they react positively and help in bringing the proposed change. The extent to which the use and evaluation of information provided by the management, at the start and throughout the implementation of the organizational change, correlates with perceived positive and negative responses regarding the organizational change among survivors. (Paul Nelissen, Martine van Selm., 2008)

It is well known fact that these days members of the target audience influence each other. The marketing communication is shifting from mass communication to the interactive relationship / network contexts. Focus of marketing research seems to shift from products and firms as a central unit of analysis to people, organizations and the social processes that bind actors together in ongoing relationships. (Rami Olkkonen, Henrikki Tikkanen, Kimmo Alajoutsijärvi., 2000)

In the companies where employees from different region, culture and languages are working together it becomes most probable that they form different groups and stop interacting outside the groups. This kind of scenario is not good for the company as it hinders the interactions and knowledge sharing among the employees and which lead to the degraded performance also sometimes. To promote knowledge sharing and performance, companies need to promote the common language i.e. English.

The consistency in English communication in general and English management communication in particular had a positive relationship with the investigated knowledge sharing and performance variables. (Jakob Lauerg, Jan Selmer, 2011)

**International Business and Communication:**

In today’s global scenario it is important to improve the business communication. Since English has become the agent of globalization, it becomes imperative to learn the language. However effective business communication has no relation with ability to speak English well, as workplace communication is more than just the mere English speaking. Business English is a dynamic language activity in the workplace concerned with pragmatically transmitting a fixed intention. English is a medium of common
language across different cultures and countries and only facilitates both parties to be able to understand each other. However good communication skill is all the more important while trying to communicate with people for whom language is a barrier.

All global companies must accept this reality and deal with it. So far, companies of many countries have not yet developed a satisfactory way of doing so for example China and Japan are doing exceedingly well in research, developing new technology and superior products and they have never given more attention in developing the global language. But they have realized now that to reach to the next level and dominate the European companies they need to improve their business English proficiency.

Japanese companies have lagged behind European and US companies in coping with the communication problems fostered by globalization which has led them to be left behind. However Indian companies are gaining edge in terms of getting business from US and European markets as language is not a barrier and it is easy to find English speaking staff which can communicate with global colleagues.

So if a company is setting up offices in other countries, they must make sure to hire managers who can communicate well with the local staff in order to lead them. However, they will appear incompetent to the local staff if their communication is poor and language becomes a barrier and will ultimately lead to an inability to direct, to instruct, and to communicate orders from the head office.

Sometimes these managers may behave in an overbearing manner towards their local staff to compensate for their fear of being perceived as in competent. When employees cannot understand what a manager is saying, they lack concrete instructions and orders. Along with the recognition of the reality that English will be the agent of globalization, comes the fear held by many informed people that the world will leave Japan behind if Japan is unable to change. (Naoki Kameda, 2005)
The poor corporate communication in forging relationships – with employees and External constituents could lead to disgruntled employees, vendors, dissatisfied consumers, and a disaffected community. Corporate communication executives indicate a clear need to build trust with all audiences. China who is aspiring to become the super power has also understood the need for the hour and that is to improve their business communication.

Chinese companies needs to work on their business communication to a great extent to match with the best practices of global multinationals. (Michael B. Goodman, Jay Wang, 2007)

Thailand, a major tourist destination also experiences the need to develop their expertise in global business language i.e. English. Thai employees’ language deficiency might have inhibited to some extent their ability to demonstrate effective problem solving and accountability. (RoongSriussadaporn, 2006)

Wiwattananukul found that critical intercultural communication problems from 31 between Thais and expatriates countries were:

1. Lack of mutual understanding of language (i.e. Thai and English)

2. Attitude and prejudice problems due to receiving inaccurate information about cultural and work-related values.

3. Different perceptions and misinterpretation of verbal and nonverbal cues, and

4. Lack of trust and openness in communication among each other.

These problems led to inabilities to express well what they really wanted from each other to achieve their individual and company goals. (Wiwattananukul, M. 1993)

With the above understanding, it can be understood that, English will remain the major international language and is likely to widen its acceptance as the global language. (Brian J. Hurn, 2009)
**Importance of Business Communication**

Business Communication is far more demanding than the typical communication. Organizations these days are capacious and diversified as it involves enormous stakeholders, culture, manifold levels of hierarchy and legion countries to interact with. Greater the diversity, larger is the difficulty in managing the organization. Communication here plays a very significant role in the process of directing and controlling the people in the organization. A number of recent researches indicate that there is a strong link between communication competence of an individual and the success he or she achieves in the workplace. Expectations are higher on the job and the business environment is so complex that the message can go wrong because of unheard reasons.

There should be effective communication between superiors and subordinates, across departments, across countries, and between organization and society at large. It is essential for success and growth of an organization that communication gaps should be totally removed or at least minimized.

Business communication plays a vital role in advancing business and propagating strategic initiatives across the organization. (E. Weinreb, 2011). Communication has graduated from the short term tactical tool to long term strategic requirement. Business success depends more and more on organizational communications and its effectiveness and that is why they have started taking internal and stakeholder’s communication very seriously. This has given added impetus and importance to the role of corporate communication. Communication competence is set to become a critical success factor for businesses in the future. (NandoMalmelin, 2007)

Raina &Pande state that there is no denying the fact that effective communication is a potential contributor in building effective interpersonal and harmonious working relationship and is at the root of virtually all success and mandate that even engineers, scientists and technocrats need to translate their work into understandable communication so that it can be applied outside their own level of expertise. (Raina R. &Pande N. 2012)

People within the organizations play the most critical role in execution and management of the whole value chain. Payne (2005) applied a three component model of Communication
Competence (motivation, knowledge, and skill) within an organizational context and analyzed the relationship between job performance, position level, and Communication Competence. The results revealed that high job performers had significantly higher levels of motivation to adapt communication and higher levels of communication skills. Penley et al. (1991) tested the impact of communication skills (clarity, articulation, and accuracy), motivation (oral, non-verbal, and written communication apprehension), and cognitive skills (cognitive complexity, perspective taking, and self-monitoring) on managerial performance. Results showed higher performing managers had higher communication skills and lower communication apprehension. Hence there is a need for practices and tools which could engage people & processes beyond the boundaries and help them to bring dream into reality. Research indicates that there is a strong link between communication competence and success in the workplace (Raina & Pande 2012). Thus effective communication is one of the most powerful tools which could be used to ensure the overall efficiency and productivity of employees within the organization.

A large part of being an effective manager involves being an effective communicator. Many top managers concede that, as one climbs the organizational ladder, the relative importance of technical skills declines while that of communication skills increases. Therefore, business schools all over the world have altered their course curricula to add a focus on acquiring communication skills along with the regular quantitative and technical skills. However, despite these changes, communication courses are often perceived by students as being 'soft' or 'easy' courses, and are in general yet to receive their attention (Ujvala.R.2002). Communication also plays a crucial role in altering individual’s attitudes, i.e., a well-informed individual will have better attitude than a less-informed individual. Organizational magazines, journals, meetings and various other forms of oral and written communication help in molding employee’s attitudes.

Business communication is affected by factors such as globalization, technological advancements, growing teamwork culture, evaluation of organizational structures and various barriers to successful communication.
Industry needs with regard to the communication in business:

Transferring knowledge from the classroom to the workplace has become one the most important goal of business education. Basic skill development along with sound knowledge of workplace environment has become crucial in the education scenario. Whilst the most important skills needed for the business graduate in this era of globalization are technical skills, analytical skills, communication skills, multi-disciplinary and inter-disciplinary skills (Gill & Lashine, 2003). Communication is pervasive in all activities of the organization. Communication provides a means for making and executing decisions, obtaining feedback and correcting organizational objectives and procedures as the situation demands. (Rogers and Agarwala-Rogers 1976)

In today’s Industry people from diversified background are working together. It has been recognized that diverse workforces gives competitive advantage to their companies by offering a broader spectrum of viewpoints and ideas, helping companies understand and identify with diverse market has competitive advantage and by enabling companies to benefit from a wider range of employee talents. Some research claims that the use of teams increases capability, responsiveness, and flexibility within organizations (Griffith, Sawyer, & Neale, 2003; Maynard, 2006) partly because synergies are created among team members who have different types of expertise, experience, or knowledge (Grimshaw & Kwok, 1998; Klein & Kleinhanns, 2003).

The diverse workforce encompasses a wide range of skills, traditions, backgrounds, experiences and outlooks and attitude toward work, which affects the communication in the workplace. Supervisors face the challenge of connecting with diverse employees, motivating them and fostering cooperation and harmony among them. Teams face the challenge of working together closely and companies are challenged to coexist peacefully with business partners and with the community as a whole.

The separation of culture and communication is virtually impossible. Communication (Verbal & Nonverbal) is influenced by the culture in which the person is raised. The meaning of words, the significance of gestures, the importance of time and space, the rules of human relationships and other aspects of communication are defined by culture. The culture influences the thinking and thus naturally affects the communication of both sender and receiver (Tracy Novinger, 2001). It can be comprehended that intercultural communication is
very critical in the contemporary business world and Industry needs people who understands and appreciates the dynamics of intercultural communication.
Section 2.2

Communication Theories

Business communication skills are an extension of the basic communication skills. A professional must understand the dynamics of communication related to the business environment. To develop further theoretical understanding on the business communication, communication theories were referred and interpret them from the context of business requirements. There are nine relevant communication theories which revolve around business communication. They are as below,

1. Theories of Intrapersonal Communication  
2. Theories of Interpersonal Communication  
3. Theories of Group Communication  
4. Theories of Organizational Communication  
5. Theories of Persuasion Communication  
6. Theories of Leadership Communication  
7. Theory of Mediated Communication  
8. Theories of Culture  
9. Five Factor Model of Personality

(Marianne Dainton & Elaine D. Zelley, 2010)
Business Communication

- Theory of Intrapersonal Communication
- Theory of Interpersonal Communication
- Theory of Group Communication
- Theory of Organization Communication
- Theory of Persuasion Communication
- Theory of Leadership Communication
- Theory of Mediated Communication
- Theory of Culture
- Five Factor Model of Personality
The mentioned communication theories were analyzed by emphasizing on business communication. The following are the excerpts of referred theories,

1. **Theories of Intrapersonal Communication:**

Intrapersonal communication: Individuals internally derive meaning or interpret different messages or communication. There are 4 theories that examine the intrapersonal aspects of communication.

a. **Message Design Logics (MDL) (O’Keefe, 1988):**

On the basis of how people perceive about communication they construct various types of messages. These are not permanent personality traits but they keep on changing with the time. From the mentioned message logics, Rhetorical Message design logic is the most critical from the business communication point of view.

Rhetorical message design logic: A person using rhetorical message as design logic takes communication as an opportunity to create favorable situations and negotiate multiple goals. People using this logic, tries to understand speaker’s point of view by paying close attention to what he is communicating.

b. **Communication Accommodation Theory (CAT) (Giles &Coupland, 1991):**

It provides an understanding on the cultural differences and similarities related to language. Convergence& Divergence are two possible ways for understanding and agreeing or to disagree and deviate from others.

- Convergence: Convergence is aligning one’s speech and behavior, so that it complies with the conversing partner.
  Positive effects: Better attention, superior persuasion and social acceptance
  Negative effects: It may be perceived as condescension, submission and loss of personal identity.

- Divergence: To make your speech or behavior different from that of your conversational partner.
Positive effects: protects cultural identity, asserts power differences, increased sympathy
Negative effects: perceived disdain for out-groups, perceived as lack of interest, increases psychological distance.
In today’s competitive scenario it is more beneficial to practice Convergence rather than Divergence

c. Uncertainty Reduction Theory (URT) (Berger and Calabrese, 1975)

This theory explains and predict why, when, and how individuals use communication to minimize their doubts while interacting with others. This theory is based on the assumption that the communication is critical to reduce uncertainty.

There are 3 strategies to reduce uncertainty
- Passive strategy: Observing surroundings to identify appropriate behavior and to notice what are others beliefs and attitudes (playing detective, observing),
- Active strategy: Actively seek relevant information from others.
- Interactive strategy: Seek information and clarify doubts directly from the source. Interactive strategy is more appropriate in the business environment


It explains the various meanings that people attribute towards the violation of their personal space. Personal space can also refer to psychological or emotional space. After assessing this theory you can predict whether a person will reciprocate (match the behavior) or compensate (acting opposite) to the behavior in question.
e. Theory of Kinesics: Ray Birdwhistell

Assumptions of this theory:

I. All bodily movements have potential meaning in communication. Meaning can be assigned to physical actions. Through the movement of our body parts, we could convey different messages that can be used for communication.

II. Our body activities can be controlled; patterned and analyzed. The organization of bodily activity can be subjected to systematic analysis. Our behavior is responsible for our actions.

III. Although bodily activities have biological limitations, the use of body motions in interaction is considered to be a part of the social system. Different groups will use gestures differently. If there are universal meanings for certain body language, there are also some gestures that are only used in a particular group of persons in the society.

IV. The ways in which bodily activity functions in communication can be investigated. Through science, the way we move and how our body activities function can be studied and investigated further.

V. Each individual’s usage of body movements will be a part of the social system because people influence each other. Whatever movement has been discovered, it will be shared and imitated by others.

The perceived similarities between bodily activities and language are called linguistic-kinetic analogy. Certain body motions emerge as important in communication. Such movements are called KINES.
2. Theories of Interpersonal Communication

Communication occurs between person to person is called Interpersonal communication. It refers to both the content and quality of messages delivered. There are 4 important theories of interpersonal communication,


This theory explains about the management of self and others identities by using politeness strategies while interacting. This theory entails three assumptions,

I. Individuals are concerned with maintaining face.
   Positive face: Individuals like appreciation and admiration.
   Negative face: Individuals desire to act as per their own will, without any constraints or imposition of others

II. Individuals have choices and they prepare their communication keeping in order to achieve task-oriented goals while maintaining their face

III. Face threatening behaviors are apologies, compliments, criticism, requests and threats

Factors influencing Politeness Theory are social distance, power and risk.

From the Business communication point of view, one must consider above factors while communicating.

b. Social Exchange Theory (SET) (Thibaut and Kelley, 1959)

This theory explains why individuals continue or end their relationships. This theory is based on following three assumptions:

I. Personal relationships are developed after assessing the benefits and costs

II. People want to gain maximize benefits in minimize costs

III. People are self-centered

Three Core Components

I. Social relationships bring rewards but at a cost. Rewards – Costs = Outcome (OC),

II. Comparison level (CL): Expectations in a relationship,

III. Comparison level of alternatives (CLalt): Alternatives to the relationship.
If,

- \( OC > CL = \text{Satisfied}, \ OC < CL = \text{Dissatisfied} \)
- \( OC > CL_{\text{alt}} = \text{Stay}, \ OC < CL_{\text{alt}} = \text{Terminate} \)

(Marianne Dainton & Elaine D. Zelley (2010”))

This theory has a very practical approach towards the business environment. In business world all the relationships are retained or terminated by assessing benefits attached. One must consider the outcome while communicating in professional relationships.

c. Dialectical Perspective (Baxter and Montgomery, 1996)

This theory explains how individuals sustain interpersonal relationships. Dialectical perspective has identified following four strategies to handle internal and external issues:

1. Selection: choosing one pole at the expense of the other,
2. Cyclic alteration: fulfill one pole now and shift to fulfill the other pole later,
3. Segmentation: certain issues are segmented towards one pole and other issues are appropriate for the opposite pole.
4. Integration: includes several variations. Ex: Every Friday (predictable), new restaurant (novelty).

One must be careful in choosing from the above mentioned strategies and consider the dynamic nature of business.

d. Communication Privacy Management theory (CPM) (Petronio, 2002)

The theory is based on the thought that people create rules for decision-making to help them in determining when to reveal or conceal the information. The theory explains what information people disclose, keep private and how they manage the private information.
e. Theory of Reading:

Schema Theory:
A schema is a generalized representation or a conceptual understanding to know how knowledge should be represented and used.
According to this theory, schemata represent knowledge about concepts: objects and the relationships they have with other objects, situations, events, sequences of events, actions, and sequences of actions.
As stated by Rumelhart (1980), schemata can represent knowledge at all levels—from ideologies, cultural truths, meaning of a particular word and knowledge about what patterns of excitations are associated with every alphabet. We have schemata to represent our all levels of our experience and levels of abstraction. Thus our schemata is our knowledge. All of our generic knowledge is embedded in schemata.
The importance of schema theory to reading comprehension also lies in how the reader uses schemata. The goal of schema theory is to describe what is in the text and how that information is shaped and stored by the reader. (Adams and Collins)
Schemata serve as the basis for making inferences or reading between the lines and for making predictions based on observation of only part of the input. Schemata also serve as the vehicles to explore memory

Transactional model of Reading

The transactional model takes into account the dynamic nature of language and both aesthetic and cognitive aspects of reading. According to Rosenblatt (1994), "Every reading act is an event, or a transaction involving a particular reader and a particular pattern of signs, a text, and occurring at a particular time in a particular context. Instead of two fixed entities acting on one another, the reader and the text are two aspects of a total dynamic situation. The 'meaning' does not reside within the text or the reader but comes during the transaction between reader and text." Thus, text without a reader is merely a set of marks capable of being interpreted as written language. However, when a reader transacts with the text, meaning comes.
3. Theories of Group Communication

Group: Three or more individuals who focus on achieving common purpose and who get influenced by each other is called group.

Team: A group of people working in coordination and empowered to take decisions to complete tasks from start to finish (self-directed and self-regulating). All teams can be termed as groups but all groups are not teams.

Systems perspective - It focuses on the interdependence which gets developed when people are interacting with each other. A system is a group of individuals who are inter-related e.g. sports club. A smaller part of the system is a sub-system e.g. football team. A supra-system is the larger system within which the system operates e.g. football league.

Assumptions of systems perspective:

- Believe in the concept of non-summativity:
  The whole is greater than the sum of its parts. Positive synergy is when the group achievement is higher than individual achievements. Negative synergy is when individuals would have achieved more than the group

- Interdependence: Every part of the system depends on each other

- Homeostasis: It means the balance within the group

- Equi-finality: There can be various ways to achieve the same goal

a. Interaction Process Analysis (IPA) (Bales, 1953)

This theory has been developed to explain various patterns of group discussions, specifically in terms of leadership. It analyses group communication and help the groups to accomplish two critical goals.
I. Task: productivity, 

II. Maintenance: cohesion. 

Group has to balance task and maintenance needs while communicating with each other. 


This theory has a specific focus on decision making. A group has to achieve 4 important functions in order to be able to take good decisions: 

I. Problem analysis: It focuses on the nature, extent, and probable causes of the problem. 
II. Cautions have to be taken in differentiating between problems and symptoms of problems, Goal setting: Identify an appropriate solution while focusing on ideal elements. 
III. Identify alternatives: generate alternative solutions 
IV. Evaluate and select: Evaluate each alternative and select most appropriate. 

In groups, 3 kinds of communication exist: 

● Promoting communication: Communication is directed towards one of the desired functions 
● Disruptive communication: It diverts and discourages the ability of the group to achieve the desired functions 
● Counteractive communication: Communication that directs the disrupted group towards the desired work.
4. Theories of Organizational Communication

Organization: It is a group of individuals who coordinate their efforts to achieve their individual and combined goals.

Communication within organizations specifically serves three purposes:

- **Relationship**: Organizational socializing. Employees are integrated in the work environment.
- **Organizing**: Communication guides, directs and controls organizational activity.
- **Change**: Organizational members analyze, resolve, adapt and innovate.

a. Four cultures (Deal and Kennedy, 1982):

   Based on Values, heroes, rites rituals and cultural network.

b. Three levels of culture (Schein, 1992):

   - **Level 1 – Artifacts**: it refers to the visible evidences of culture like physical entities, such as architecture, technology, dressing sense, styles of decision making and patterns of communication. Mere Observation of these artifacts is not sufficient because interpretation may be difficult and confusing.
   - **Level 2 – Values**: These are the preferences or beliefs about how situations should be handled. Values describe how things should happen. Organizational leaders are the source of values.
   - **Level 3 – Basic assumptions**: It refers to the opinion of organizational members which they carry about the surroundings. It includes their perceptions, thoughts, feelings and beliefs.

c. Organizational assimilation theory (Jablin, 1987, 2001)

   It explains how individuals are imbibed into the culture of an organization. This transition must be planned and should not take much time. The theory identifies four stages:
I. Vocational Anticipatory Socialization: Developing a set of expectations and beliefs about the work environment,

II. Anticipatory Socialization: Anticipating about the assigned job role, responsibilities and organization

III. Encounter: Actual realization of organizational culture

IV. Metamorphosis: Integration into the organization means becoming insider from the outsider

d. Organizational Identification and Control (OIC) (Barker, 1999)

An individual’s connection to the organization influences behavior and decision making in team-based structure. 3 main concepts tie the theory together:

I. Identification: the sense of oneness or belongingness to an organization,
II. Control: an organization needs control to get things done
III. Discipline: It is acquired by realizing sense of responsibility towards the work and group members.

e. Organizing theory (Weick, 1969)

This theory confirms that communication is the organization. This theory is concerned with the enormous information that organizations have with them. An organization is constituted by communication.

5. Theories of Persuasion

Persuasion is effort to influence others by changing their beliefs, values or attitudes.

a. Social Judgment Theory (SJT):

Suggest that knowing a person’s attitudes on subjects can provide you with clues about how to approach him with persuasive effort.
b. Elaboration Likelihood Model (ELM) (Petty and Cacioppo, 1986)

It explains persuasion as a process in which the success of influence depends majorly on the ways through which the receiver interprets the message. This model consists of two routes

Central route: This kind of messages includes information, relevant arguments and evidences which supports a specific conclusion. These messages are designed to create a long-term change.

Peripheral route: It is based on the receiver’s emotional involvement and persuasion is done through more superficial means. This route causes only short-term changes.

6. Theories of Leadership

In the contemporary management, leaders need to have planning skills, budgetary skills and organizational skills. Major challenge of leaders is to be dynamic and be able to cope with change.

Leaders must be able to demonstrate vision, motivate and empower people and to accomplish the desired outcome.

a. Likert’s four systems (Likert, 1961):

This theory suggests that there are 4 different leadership styles/systems prevalent in organizations.

- **System 1:** ‘’Tells’’ – It refers to the authoritative system. Here leadership style is based on dictatorship
- **System 2:** “Sells” – It is benevolent authoritative system. Here leader convince their subordinates and sell them his idea of working.
- **System 3:** “Consults”- It refers to the consultative system. Here leader consults with his team before taking any important decision.
- **System 4:** “Joins”- It means participative system. Here leader join his team and work along with them.
Different leaders have different leadership system to accomplish the desired. In the contemporary business environment system 3 & 4 are the most appropriate approaches.

b. Transformational leadership (Bass, 1997)

In this theory two contrast leadership styles i.e. transactional and transformational leadership styles are compared. Both the styles assist leaders in organizations in achieving desired goals, but transformational leadership is superior for contemporary business environment.

**Transactional leaders** – These leaders are concerned to achieve superior and consistent performance from their subordinates. A transactional leader is responsive to his team members and is very much clear and structured in setting up expectations.

**Transformational leaders**- These leaders motivate and inspire their subordinates to derive exceptional performance. Transformational leadership is based on the ability to use subordinates’ ideas and actions as a catalyst for transformation.

There are 4 considerations in transformational leadership:

I. Idealized influence: Ensure that subordinates have positive attitudes among each other and towards the work. Idealized influence involves taking initiatives and establishing trust.

II. Inspirational motivation: Direct subordinates towards a better future by giving them a clear vision. Followers are motivated by the attainment of this vision and receive encouragement and support.

III. Intellectual stimulation: challenge their own assumptions and encourage them to develop and practice new approaches. Differences of opinion must be addressed openly and must get sorted out.

IV. Individualized consideration: The leader understands each subordinates needs and abilities and provides them the support for required development and mentors their efforts.
c. **Contingency model (Fiedler, 1967)**

Suggest that leaders should adapt their behavior to situational constraints. There are two distinct leadership styles:
- **Task leader**: Majorly concerned with the successful completion of organizational goals. Task leader is more focused on improving the productivity.
- **Relationship leader**: Leader emphasizes on developing positive relations between all members of the group. These leaders are more concerned with employee satisfaction and focus on maintaining group harmony.

d. **Leader-Member Exchange (LMX):**

This theory suggests that leaders should understand his subordinates individually and deal with each of their team members differently. However, the theory recognizes that leadership consists of an interpersonal relationship between a superior and a subordinate and that all relationships are not treated equally.

7. **Theories of Mediated Communication**

Mediated: Any communication in which some electronic mediator (phone, computer, etc.) exists between source and receiver is mediated communication. Invariably mass communication is mediated.

e. **Media richness theory (Lengel & Daft, 1988)**

This theory points out that the communication channel must be in line with the content of the information. There are two major considerations:

I. **Media Richness**: It refers to the information carrying capacity of the medium.

II. **Ambiguity**: it considers the possibility of multiple interpretations. Ambiguous messages are those which involve a greater risk of being misunderstood because of the lack of clarity.

If the message is more ambiguous then the medium should be more robust. Communication effectiveness is assumed to occur when ambiguity of a message and the richness of the media complement with each other.
8. Theories of Culture

Culture is the collection of the ideas, customs, and social behavior of a particular people or society. Culture characterizes a particular group of people in terms of their language, religion, cuisine, social habits, music, and. Cross-cultural communication is the comparison of two or more cultural communities while Intercultural communication involves the actual interaction between members of different cultures.

a. Hofstede’s cultural dimensions (Hofstede, 1980)

Hofstede described 5 dimensions that can be used to differentiate different cultures.

I. Individualism (IDV): This refers to the strength of the ties people have to others within the community. A high IDV score indicates loose connections. In countries with a high IDV score there is a lack of interpersonal connection, and little sharing of responsibility beyond family and perhaps a few close friends. A society with a low IDV score would have strong group cohesion, and there would be a large amount of loyalty and respect for members of the group. The group itself is also larger and people take more responsibility for each other’s wellbeing.

II. Uncertainty avoidance Index (UAI): This relates to the degree of anxiety that society members feel when in uncertain or unknown situations. High UAI-scoring nations try to avoid ambiguous situations whenever possible. They are governed by rules and order and they seek a collective "truth." Low UAI scores indicate that the society enjoys novel events and values differences. There are very few rules, and people are encouraged to discover their own truth.

III. Power distance (PD): This refers to the degree of inequality that exists – and is accepted – among people with and without power. A high PD score indicates that society accepts an unequal distribution of power, and that people understand "their place" in the system. Low PD means that power is shared and well dispersed. It also means that society members view themselves as equals.

IV. Masculinity: This refers to what extent, a society sticks with values of traditional male and female roles. High MAS scores are found in countries where men are expected to be "tough," to be the provider, and to be assertive. If women work outside the home, they tend to have separate professions from men. Low MAS scores do not reverse the gender roles. In a low MAS society, the roles are simply blurred. You see
women and men working together equally across many professions. Men are allowed to be sensitive, and women can work hard for professional success.

V. Long-term orientation (LTO): This refers to how much society values long-standing – as opposed to short-term – traditions and values. This is the fifth dimension that Hofstede added in the 1990s, after finding that Asian countries with a strong link to Confucian philosophy acted differently from Western cultures. In countries with a high LTO score, delivering on social obligations and avoiding "loss of face" are considered very important.

Long-term orientation: It is associated with perseverance and strong work ethics
Short-term orientation: It focuses on immediate gratification.

It also states that different generations have different values, beliefs, ways of behaving and communication and culture has an impact on communication.

b. Face Negotiation Theory (FNT) (Ting-Toomy, 1988)

It explains cultural differences in conflict management can occur if different face needs and conflict styles are combined together. There are five approaches to conflict management:

Avoiding: little concern for self and others
- Accommodating: Conceding to the partners’ request
- Competing: Imposing your viewpoints on others
- Compromising: Moderate concern for self and others
- Collaborating: High regard for self and others

The above 5 approaches are not a permanent trait, but changes according to the partner involved.

Conflicting styles has to be viewed on a dual dimension (self and other):
- Self-face concern: considering your positive and negative face needs
- Others-face concern; considering your partners positive and negative face needs
- Mutual face concern: recognition of both self- and others-face concerns.
By this dual view, three more conflicting styles can be added to the above five conflict styles:

- Emotionally expressive: Emphasizes on how a person desire to react to his emotional feelings,
- Passive-aggressive: Attempts to make your partner realize his mistake and feel guilty about it.
- Third-party help: Asking a person who is not directly involved in the conflict to resolve the issue.

**Personality:**

**Big Five Factor Model:**

In psychology, the Big Five personality traits are five broad domains or dimensions of personality that are used to describe human personality. The theory based on the Big Five factors is called the Five Factor Model (FFM). The Big Five factors are openness, conscientiousness, extraversion, agreeableness, and neuroticism. The Big Five model is able to account for different traits in personality without overlapping. (http://www.workplacebullying.org/multi/pdf/5factor-theory.pdf)

The five factors: A summary of the factors of the Big Five and their constituent traits form the acronym OCEAN:

**Openness to experience:** *(inventive/curious vs. consistent/cautious)* - Appreciation for art, emotion, adventure, unusual ideas, curiosity and variety of experiences:

Openness reflects the degree of intellectual curiosity, creativity and a preference for novelty and variety a person has. It is also described as the extent to which a person is imaginative or independent, and depicts a personal preference for a variety of activities over a strict routine. Some disagreement remains about how to interpret the openness factor, which is sometimes called "intellect" rather than openness to experience.
**Conscientiousness:** *(efficient/organized vs. easy-going/careless)*. A tendency to be organized and dependable, show self-discipline, act dutifully, aim for achievement, and prefer planned rather than spontaneous behavior.

**Extraversion:** *(outgoing/energetic vs. solitary/reserved)*. Energy, positive emotions, assertiveness, sociability and the tendency to seek stimulation in the company of others, and talkativeness

**Agreeableness:** *(Friendly/compassionate vs. analytical/detached)* - A tendency to be compassionate and cooperative rather than suspicious and antagonistic towards others. It is also a measure of one's trusting and helpful nature, and whether a person is generally well tempered or not.

**Neuroticism:** *(sensitive/nervous vs. secure/confident)* - The tendency to experience unpleasant emotions easily, such as anger, anxiety, depression, and vulnerability. Neuroticism also refers to the degree of emotional stability and impulse control and is sometimes referred to by its low pole, "emotional stability"
Communication Model 1
**Communication Competence:**

Communicator must focus on developing communication competence. Steers et al (2013) emphasize on the communication competence for the effectiveness in general and leadership. Communication Competency depends on the following three elements (Payne, 2005):

1. Motivation
2. Knowledge
3. Skill

The communication behavior is influenced by the following four aspects (Johansson, J.C., & Schmidt, R.W., 2014):

- Communication awareness
- Communication acquaintance
- Communication attitude
- Communication ability

To develop the communication competence in leaders organization uses the concept of “Communication Leadership”. Communication leadership emerged as a concept in Sweden in late 1990s (Hogstorm et al, 1999). Communication leader is one who engages employees in dialogue, actively shares and seeks feedback, practices participative decision making and is perceived as open and involved. (Johansson, J.C., & Schmidt, R.W., 2014). Communication leader must follow the below mentioned principles in their organizations,

- Coach and enable employees to be self managing
- Provide structures that facilitate the work
- Set clear expectations
- To be approachable, respectful and express concern for employees.
- Actively engage in problem solving and feedback follow up.
- Guide others in achieving their goals
- Actively engage in communication and events
In general, communicator must consider following aspects while communicating,

- Communication is direct or indirect
- Communication is related to previous messages or not
- Effects and Influences of communication
- Cohesion within the group
- Context of communication
- Needs & Expectations of self and others
- Style of communication
- Interest and involvement of the listener
- Power and control
- Relationship with the audience
- Rewards: People will make choices on perceived reward power.
- Uncertainty and ambiguity: Uncertainty is often perceived as problematic and should be minimize
- Values and beliefs of other person
Communication Model 2