Chapter 4

Communication: How, Why and What: Literature Review

<table>
<thead>
<tr>
<th>Section</th>
<th>Contents of the chapter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Introduction</td>
<td>133</td>
</tr>
<tr>
<td>4.2</td>
<td>Literature Review on Management Communication</td>
<td>133</td>
</tr>
<tr>
<td>4.3</td>
<td>Literature Review on Communication Tools and Technologies</td>
<td>148</td>
</tr>
<tr>
<td>4.4</td>
<td>Literature Review on SMEs</td>
<td>161</td>
</tr>
<tr>
<td>4.5</td>
<td>Research Gap and Summary</td>
<td>178</td>
</tr>
</tbody>
</table>
4.1 Introduction

This chapter is classified into three parts – review of articles and other literature on management communication, review on SMEs and Review on communication technology –ICT. A number articles, research journals and research papers, book chapters, excerpts of magazines and several web resources were referred to compile this chapter. This exercise has helped to create a picture of importance of management communication, availability of communication technology for business and use of these communication technologies by SMEs in India and abroad.

4.2 Literature review on Management Communication

Management communication includes all communication that occurs in a business context. Knowledge of management communication presumes an understanding of both business and communication. The term, managerial communication, usually refers to an emphasis on communication strategies for achieving specific short-term objectives. But it covers all efficient communication skills which are required in a process of Organizational Communication. Organizational communication usually refers to established communication networks and the communication flow within organizations. Such skills are also important to the success of customer relations programs and strategic alliances. They cover the skills like sales promotional skills, fundamentals of understanding other people, differences in perception, differences in motivation and other common behavioral strategies, establishing rapport, developing mutual respect, and reaching out at consensus. Internal and external channels demand for all types of written, oral, electronic communication techniques. An efficient manager must exhibit all these by simply understanding the undoubted role of communication in managerial context. Enormous research has been carried out in the area of management communication, its benefits and relevance especially today when
the business touches upon global horizons. Following is the summary of such research articles and research papers which endorse the usefulness of management communication.

**Willard V Merrihue (1960)** said that to understand fully the importance of communication to the manager of a business enterprise or of any of its components, we must begin by analyzing the managerial process. This process can be broken down into six subparts: planning, organizing, assembling resources (personal and capital), directing and controlling. Today’s developing concept of leadership, exercised largely by persuasion rather than by command, places a great new premium on communication. Three of the elements of manager’s work, planning, organizing and measuring are heavily dependent on employee communication. The fourth category, integration, is almost synonymous with communication.

**Management Guru, Peter Drucker (1954)** emphasizes on the fact that manager performs in managing his enterprise: interpreting, listening, developing understanding, creating proper climate, encouraging, relating, etc. – all are facets of the communication process. Peter Drucker describes the manager’s prime tool in managing communication as: “the manager has a specific tool: Information. He does not ‘handle’ people; he motivates, guides, organizes people to do their own work. His tool – his only tool – to do all this is the spoken or written words or the language of numbers. No matter whether the manager’s job is engineering, accounting, or selling, his effectiveness depends on his ability to listen and read, on his ability to speak and write. He needs skill in getting his thinking across to other people as well as skill in finding out what other people are after”

**Professor Alex Bavelas and Dermot Barrett (1950)** draw the following significant analogy in depicting the role of communication in a management. “It is entirely
possible to view an organization as an elaborate system for gathering, evaluating, recombining and disseminating information. It is not surprising, in these terms, that the effectiveness of an organization with respect to the achieving of its goals should be so closely related to its effectiveness in handling information”. These lines lead us to the belief that communication is not a secondary or derived aspect of organization – a ‘helper’ of the other and presumably more basic functions. Rather, it is the essence of organized activity and is the basic process out of which all other functions derive.

**Christopher Connolly**(1996) suggests that the need for effective communication does not exist in isolation from day-to-day work demands; neither should the development of communication skills be isolated from the development of technical skill. More companies are now recognizing the advantages of integrating these "people skills" with technical training to maximize their return.

Managers or those responsible for leading meetings need specific skills in facilitation and meeting conduct. All team members need a range of well-developed communication skills that enable them to interact effectively.

Core inter-personal skills along with technical skills will contribute to greater teamwork, and at the same time they require a certain degree of teamwork to be applied in the first place. One solution is to embed them in technical training.

Communication in business teams continues to be essential for effective teamwork, technical excellence and customer responsiveness. Technology has increased the speed and ease of much communication, and the reliable stand-by of the team briefing remains a core component. Yet perhaps the most effective ways of improving communication are also the simplest - taking the time to really notice your colleagues, listening to how they speak as well as what they say, and remembering that what
happens inside of us, in particular how we feel,- human skills - will have a profound influence on the work.

Managers and teams who truly apply these principles know they have got to the heart of communication.

Renowned management consultant Irv Schenkler (2011) comments on people today becoming increasingly dependent on machines to communicate for them. He says, the good old fashioned art of conversation with human touch is in danger of disappearing altogether. Every day work situations are so demanding where effective communication skills can prove extremely useful, but many people don’t know how to deal with them. Communication is the key to a successful relationship in any area of life. Whether you’re a consumer with a complaint, a failure at networking at parties or hopeless at remembering names, considerate use of technology can help to solve all your communication conundrums.

Effective communication is vital for successful management. Management Communication emphasizes developing the full range of communication strategies required to become a successful manager.

For that managers need a level of knowledge in order to succeed in today’s business environment—how to analyze audiences, organize ideas effectively, choose appropriate media and how to sell products and ideas to a wide range of audiences. The Management Communication ensures that all professionals are prepared for the skills required to compete in business today.

Jukka Korpela (2003) stresses on the importance of the Internet which grows rapidly in all fields of human life, including not only research and education but also
marketing and trade. This implies that it becomes more and more important to know how to use Internet services and, as a part of this, to read and write English.

Of course, the majority of mankind cannot use the Internet nowadays or in the near future, since they live in countries which lack the necessary economic and technological infrastructure. But the Internet causes polarization in developed countries, too: people are divided into Internet users and Internet illiterates, and as the use of the Internet grows and often replaces traditional methods of communication, the illiterates may find themselves in an awkward position.

In general, it is easy to learn to use Internet services. The worst problems of Internet illiteracy are, in addition to lack of economic resources, is wrong attitudes. Older people are usually not accustomed to live in a world of continuous and rapid change, and they may not realize the importance of the Internet or the easiness of learning to use it.

But although Internet services themselves are, generally speaking, easy to learn and use, we find ourselves isolated on the Internet if we are not familiar with English. This means that knowledge or lack of knowledge of English is one of the most severe factors that cause polarization.

**Fulmer, Robert M; Goldsmith, Marshall (2000)** highlights the significance of effective communication by developing executive talent in a company’s bid to remain competitive. The article emphasizes on need of communication skills for dealing with various issues like Alignment of communication enhancement with corporate strategy, focusing of communication skills on core issues; Emphasis on the importance of humane communication and awareness of internal and external communication techniques.
Singh & Karunes (2000) summaries analytically the various thoughts on communication which will serve as guidelines to practicing managers to evolve their own communication strategy and style to tackle the emerging situations the industries of tomorrow are likely to pose.

Celia Rocks (2001) states ten ways to develop communication skills. The author also discusses the other essential qualities like including eagerly, embracing responsibility, cultivating cheerfulness, always being honest, practicing the art of persuasion and being courageous while making effective communication and business presentations.

Foote, David (2001) focuses on the communicative aspects which make chief executive officers successful leaders and also looks in to the facts how mentors and coaches emphasizes the need of effective communication skills of CEOs. The author further talks about the advantages to the organization by developing and improving the communication skills of employees as well.

Bose (2004) analyses the various ethical business issues, solutions and notes that ability to impress upon others with excellent communication as an important feature for a successful business leader. The author concludes that the successful business leader creates a happy and prosperous business atmosphere by keeping all channels of communication open and insists upon open, free, and honest communications up and down the office of the organizational structure.

Panigrahi & Casmir Raj (2004) states that a leader has to have multifarious qualities like vision, Communication, Empathy, Sensitivity, and Boldness etc. According to the authors these are the qualities needed for a leader at all times and in all places. But in the highly volatile time as of now, it is necessary to put the ear to the earth and listen /see even the slight rumbling.
Colonel VRK Prasad (2006) narrates the traits of managerial leader. The author also compares the characteristics of managers and leaders in the 21st century. He emphasizes that along with exhibiting talent through core technical areas like finance and marketing, good leaders always set extraordinary examples by communicating across all the channels of organization. He must have commendable communication etiquettes, hands on using all communication media and tools.

As per Leigh Richards (2006) Communication skills are critical in all walks of life, but communicating effectively in the workplace is critical to professional success. Whether interacting with colleagues, subordinates, managers, customers or vendors, the ability to communicate effectively using a variety of tools is essential. Building strong communication skills requires a focus on effective interactions and the ability to listen so you understand and focus on meeting the needs of others. In addition, in today's technology-driven world, effective communicators stay up to date on the tools available to them.

P. D Chaturvedi and Mukesh Chaturvedi (2011) clarifying concept of organizational communication emphasizes that in an organization, communication counts a lot. It provides the network of sustenance essential for the growth and smooth functioning of the organization. But how should it be implemented? What are the strategies of communicating effectively? How can one learn them? Can communication be taught?

Today, communication has become a buzzword. Accordingly, a great deal of is being given to training aimed at developing the skills of writing letters, memos, and reports, participating in seminars and group discussions, interviewing, making presentations, and so on. In the world of business, managerial success depends largely on the ability to present one’s ideas before others. In fact, verbal (written/oral)
and non-verbal (body language) communicative competence is an important aspect of one’s personality. In business, it is crucial to create and maintain relationships. Effective communicators weigh relationships and develop desirable, long-term ones. One’s communication skills help nurture cherished relationships within the organization and outside it.

Scott McLean (2010) says effective communication takes preparation, practice, and persistence. There are many ways to learn communication skills; the school of experience, or “hard knocks,” is one of them. But in the business environment, a “knock” (or lesson learned) may come at the expense of your credibility through a blown presentation to a client. The classroom environment, with a compilation of information and resources such as a text, can offer you a trial run where you get to try out new ideas and skills before you have to use them to communicate effectively to make a sale or form a new partnership. Listening to yourself, or perhaps the comments of others, may help you reflect on new ways to present, or perceive, thoughts, ideas and concepts. The net result is your growth; ultimately your ability to communicate in business will improve, opening more doors than you might anticipate.

Megan Georgina Balarin (2006) takes a case study view of manager-staff communication at a South African university. In this study managers and staff members contribute their feelings on current communication practices at this organization through an online questionnaire and in-depth interviews. She says that Communication and management are two concepts that have existed since humans began to organise their world more efficiently. Although they have not often been studied side-by-side or as two different aspects of the same process they are
nevertheless inextricably intertwined because man’s struggle to organise his world has occurred, undeniably, through the medium of language.

Scott McLean (2010) states that oral and written communication proficiencies are consistently ranked in the top ten desirable skills by employer surveys year after year. In fact, high-powered business executives sometimes hire consultants to coach them in sharpening their communication skills. According to the National Association of Colleges and Employers, the following are the top five personal qualities or skills potential employers seek:

1. Communication skills (verbal and written)
2. Strong work ethic
3. Teamwork skills (works well with others, group communication)
4. Initiative
5. Analytical skills

Dennis Tourish, Owen DW Hargie (1998) states that the importance of the role of communication in the success of individual performance in social and business life is now widely recognized. Within organizations, effective internal communication between managers and staff is vital to organizational success. This is particularly so during periods of change, when staff uncertainty increases and there is an increased need for greater amounts of information and more frequent communication.

Chester Barnard (2008) viewed organizations as social system that require employee cooperation if they are to be effective. In other words people should continually communicate with one another. According to Barnard Manager’s main roles are to communicate with employees and motivate them to work hard to help achieve the organization’s goals. In his view successful management also depends on maintaining good relations with people outside the organization with whom managers deal regularly. He stressed the dependence of the organization on investors, suppliers,
customers and other outside interests. Barnard stressed the idea that managers have to examine the organization’s external environment and adjust its internal structure to balance the two.

Peter Drucker (1955) states the impelling need for more and better employee communication by saying, that to measure work against objectives requires information . . . . Management must try to convey this information – not because the worker wants it, but because the best interest of the enterprise demands that he have it. The great mass of employees may never be reached even with the best of efforts. But only by trying to get information to every worker can management hope to reach the small group that in every plant, office, or store leads public opinion and molds common attitudes.

George N. May (2012) presenting the tools for today's modern manager to enhance success in the demanding role of persuasion, communication and negotiation, says that skills form an integral part of the complex role that is required by managers when dealing with others. Providing the kit of highly effective skills and habits of effective communication management he said Communication training of some type should be offered to management personnel – at all levels, from the president on down. The authority that the communicator has by virtue of his position in the firm has an effect on how his ideas will be received. The effectiveness of management personnel is greatly dependent upon their ability in oral communication. He strongly believed that there is a definite relationship exists between communication and employee productivity. .. Labor disputes and strikes are definitely linked to breakdowns in communication. Many factors contribute to communication breakdowns; but the greatest single factor is inadequate use of communications media. Oral
communications are at least as important, or more so, than written ones. All managers cannot communicate effectively. While natural talent is a factor in the possession of this ability, it is not the only one. Far greater communicative ability can be developed through training and experience.

Esther o. Durowoju, Adams O. U. Onuka, and Ruth O. Ajisegiri (2013) carried out a study on Challenges and prospects of ICTs in management communication in Nigeria and they concluded that Management Communication engages the pragmatic topic of communicating effectively in organizations from the individual to the corporate level. From traditional written and spoken forms to computer graphic-generated presentations, from e-mail to press conferences and web pages on the Internet, the effective manager must communicate with brevity and clarity. While the number of channels for communication in business rapidly increases, the ability to persuade and motivate has never been more important. First Year Management Communication begins our look at this dynamic field, and, together with a variety of electives examines topics such as crisis management, corporate reputation, organizational identity and technology, managing professional communication as well as the challenges of effectively communicating across societal, global, and organizational boundaries. Each manager and every company has a story to tell; Management Communication makes sure that that story becomes a competitive advantage.

Luis Felipe Gómez and Dawna I. Ballard(2013)propose that two communication practices, information allocation and collective reflexivity, are dynamic capabilities that help develop a firm’s long-term viability. The concept that an organization’s actions or inaction constrain or enhance its future options and outcomes and—ultimately—its long-term survival, is the organization’s viability. They discuss two
facilitating conditions—presence awareness and organizational identification—and three organizational issues influencing the two communication practices that affect organizational viability—organizational members’ perceived environmental uncertainty, organizational members’ perceived scarcity of time, and feedback cycles between actions and outcomes that shape and are shaped by their temporal focus. They advanced two communication practices that enhance organizational viability. The first communication practice—information allocation—allows organizational members to identify opportunities and threats in their environments in a timely manner. They also consider communication practices as dynamic capabilities because the engagement in information allocation and collective reflexivity is influenced by the configuration of organizational characteristics that are developed over time and are difficult to imitate.

_Ursula Stro̱h and Dr. Miia Jaatinen (2001)_ states that in the new millennium, organizations are going through rapid changes and the role of strategic management is challenged. When the organization is threatened by environmental changes such as crises or competition as a result of information technology development or increased customer demands, the need for communication increases. During high change situations, when the publics of the organization become involved in the change issues, they actively seek information about the issues. If the organization could utilize communication management more effectively and in a two way, participative way, they would build more positive relationships with the public involved and reorganize themselves out of disorder. Strategic planning will become even more important, but will have to change to a contingency approach and emphasize flexibility and relationship building.

They look at organizational processes during change and how they can be managed by communication. Implications are drawn from chaos, postmodern and complexity theory as well as the contingency view of communication. The authors create a
framework for scanning and analyzing processes and settings, and suggest an alternative strategic, symmetrical and ethical communication approach to respond to problems. They present a new paradigm that emerges as a response to polarization and treats communication as more receiver-centered, stakeholder-based, relationship building-oriented and of strategic importance.

Dr. Richard J. Varey (2000) proposed a corporate communication managing system as a corporative participation system - as a systemic framework for responsive and responsible managing. He claims it is time to replace the term 'corporate communications' with 'corporative communication'. Management educators must stop promoting convenient, simplistic conceptions of communication if this is to come about. That will require much greater reflection on the nature and purpose of models of communication. Social constructionists may even deny the appropriateness of modelling communication at all. There is no longer an ordered, predictable system — the post-modern world is formless, utter confusion. There is no longer fundamental consensus on what things mean — interaction has become about values and differing meanings. There is no longer a stable, homogeneous society. Real communication is to know what is needed and not 'more' or 'better' communication. Interaction can no longer be the expression and transmission of meaning (an information process). It has become about the construction and negotiation of meaning (a communication process). Communication is a regulator, bringing balance in the middle ground between self-defeating order and chaos. For example, marketing is theorized as participative, is voluntary, exchange (a negotiative constitution), but is mostly practiced as strategic or consensual (a dominant constitution supported by systematic distortions). For example, advertising is almost always dominant expression and is selected as the means of communication because it is so. Yet goals cannot be preconceived, but are co-determinate.
Philippe Jehiel (1999) says human organizations are very complex entities involving decision making, information aggregation, management control, and career concerns, among others. This complexity makes it hard to assess the relative performance of various organizational patterns. Despite their complexity, questions of central interest are: 1) What is the effect of the distribution of decision-making rights in an organization? 2) How should the monitoring of management be designed (i.e., what pattern of rewards should be provided to decision makers)? 3) How should decentralized information be aggregated to improve decision making (i.e., which channels of communication are best)? These questions are interconnected. He wished to address the question of information aggregation assuming a special form of communication imperfections and a special pattern of decision makers' rewards. He assumes that operating units can communicate inside groups but groups cannot communicate. In contrast, the tree communication structure allows for richer types of communication with many arbitrary levels of partitioning. He also considers the possibility of errors in transmission, but errors do not take the form of losses (messages are always received, but they are noisy).

Gupta (et al) 2008 states that language and cross cultural training is important to overcome barriers to communication created by the obvious linguistic and cultural distances. Companies need to invest in language and cross cultural training. Investments in language training reduce the need for third-party mediators such as translators and thus foster communication that is more direct, spontaneous and free-form. Gorhan Lindahl, ABB’s former CEO referred to his company’s official language as ‘poor English’ – to drive home the point that no one should be embarrasses to express an idea simply because their English is not perfect.

Zander (1996) notes that the advent of information technologies has enabled a decentralization of work. It is now possible for organizational members to work...
together while being separate and temporally away from one another. All these changes raise new challenges for organizing in a virtual setting. The same technologies that offer followers the flexibility to work anytime and anywhere may also separate the ties that bind organization members to each other and to their employer. The claim that firms act as social communities for the creation and communication of knowledge requires a more explicit description of motivation and cooperative choices of the individual members. It also requires an understanding of the basis of social knowledge and shared knowledge.

Batia M. Wiesenfeld (et al) (1998) reveals through their study that a complementary way that communication may strengthen employees' organizational identification is by providing workers with a feeling of ownership in the shared meaning that has been created because they feel that they have helped develop it. Supporting this argument, research suggests that the frequency with which individuals communicate with others in the organization enhances organizational commitment because frequent communication leads individuals to feel that they are active participants in the organization. This sense of active participation may lead employees to feel that they have greater control in the organization.
4.3 Literature review on Communication Tools and Technologies

Technology has developed tremendously over recent years. A lot of opportunities and challenges for business have also crept in. There is no doubt about the fact that technology has revolutionized the ways businesses are conducted. Almost all business functions have got specific technology to carry out their various processes. Business ready technologies are easily available and installed to use. There are many online communication tools most of which are free. Companies need to be aware and identify their needs to make optimum use of these technologies. These technologies include online transactions, VOIP (Voice over Internet Protocol) like Skype, e-mail systems, collaborative technologies and social media and the most popular is mobile technology. These technologies increase efficiency, minimizes business cost and saves lot of time. It facilitates several people collaborate on one platform and work together. Here is the summary of research done on advantages of communication technologies for business.

Tom O’Dea in his article states technology professionals who don't want to be treated like mushrooms, who want direct involvement with clients and the chance to participate in decision making, need to develop better communication skills. It's not too hard if they focus on four key behaviors:

- *Adapt to your audience.* Figure out where they start from on the technical knowledge scale.
- *Listen for intent.*
- *Be tolerant and value differences.*
- *Don't try to impress.*

Tara Duggan emphasizes on a daily basis, connecting with other people involves using a variety of communication mechanisms. You may meet people face-to-face, talk with them over the telephone, exchange written communication in both electronic
and paper forms and maybe even participate in a video-based teleconference. Technology has enabled virtual environments for information exchange, but the core skills you need to survive have not changed for centuries. Some online tools you might use are audio and video conferencing, email, instant messaging, and mobile communication. You may even still utilize more traditional methods such as the postal system to deliver your message. How you convey your message is almost as important as what you say. Use a variety of techniques to achieve your goals.

Kasey Jones (2010) brings forth some of the advantages of information technology include:

*Globalization* - IT has not only brought the world closer together, but it has allowed the world's economy to become a single interdependent system. This means that we can not only share information quickly and efficiently, but we can also bring down barriers of linguistic and geographic boundaries. The world has developed into a global village due to the help of information technology allowing countries like Chile and Japan who are not only separated by distance but also by language to shares ideas and information with each other.

*Communication* - With the help of information technology, communication has also become cheaper, quicker, and more efficient. We can now communicate with anyone around the globe by simply text messaging them or sending them an email for an almost instantaneous response. The internet has also opened up face to face direct communication from different parts of the world thanks to the helps of video conferencing.

*Cost effectiveness* - Information technology has helped to computerize the business process thus streamlining businesses to make them extremely cost effective money
making machines. This in turn increases productivity which ultimately gives rise to profits that means better pay and less strenuous working conditions.

*Bridging the cultural gap* - Information technology has helped to bridge the cultural gap by helping people from different cultures to communicate with one another, and allow for the exchange of views and ideas, thus increasing awareness and reducing prejudice.

*More time* - IT has made it possible for businesses to be open 24 x7 all over the globe. This means that a business can be open anytime anywhere, making purchases from different countries easier and more convenient. It also means that you can have your goods delivered right to your doorstep without having to move a single muscle.

*Creation of new jobs* - Probably the best advantage of information technology is the creation of new and interesting jobs. Computer programmers, Systems analyzers, Hardware and Software developers and Web designers are just some of the many new employment opportunities created with the help of IT.

Matt Dotson and Brandon Kennington (2010) concludes in the world of virtual businesses, collaborating with co-workers and virtual assistants requires some creative ways to communicate your ideas. Technology covers everything from the trusty email, to more advanced tools like screen sharing, team message boards, and instant messenger.

As Kasey Jones (2010) further states, Communication technology has changed the way companies do business. It has shortened response times and reduced the costs of paper and phone bills. Costumer service has also changed. In many cases, you no longer have to wait for hours on a telephone; you can chat on-line with representatives
to solve problems faster. Businesses now market their products and services through emails and texts. Businesses can even hold visual meetings on-line, from opposite parts of the world, something that was impossible only a few years ago. Communication technologies such as web cameras, cell phones, email, text messaging and on-line voice calling make global communication more efficient and economical.

Mariana Soffer (2009), on her blog states that the importance of the Internet grows rapidly in all fields of human life, including not only research and education but also marketing and trade. This implies that it becomes more and more important to know how to use Internet services and, as a part of this, to read and write English.

Mariana Soffer (2009) further states that although Internet services themselves are, generally speaking, easy to learn and use, we find ourselves isolated on the Internet if we are not familiar with English. This means that knowledge or lack of knowledge of English is one of the most severe factors that cause polarization.

Joseph Tucci, President and CEO of EMC Corporation believes innovation will continue forever and that companies will continue to use it to help improve productivity. While some innovations happening in academic institutions such as MIT’s Media Lab, much of it is happening at companies like IBM and Microsoft. IBM recently unveiled a young project called Total Recall, which instantly retrieve documents weather files, web pages or emails. Another project developed by young researchers is eLumination, which captures real time transaction data and transforms it into visual.

John Markoff (2003) says, at present, the most talked – about future technologies are wireless technologies. One of the most promising developments is in the area of
adaptive computing, a development that allows a chip to reconfigure itself increasing speed and reducing power consumption considerably.

Arik Hasseldal (2002) states that making phones more energy efficient may lead to Andrew Seybold’s prediction that there would be no wired phones left in as few as 10 years. He also believed that the phone will be tied much more closely to the person with the person being the number.

Larry Smarr (2002), Professor of Computer Science, believes the idea of carrying around a cell phone as a piece of hardware will vanish. He sees voice communication becoming an Internet feature and the device will be an interface integrated with the body.

McGrath, Jane (2008) says in his article that these days Internet enables airlines to provide online flight booking, banks offer online account management and bill payment and allows any company to sell any product online. In general, the Internet has proven to be an inexpensive way to reach more customers. Nowadays, if you can't find a business online, or if it has an outdated, ugly Web site, it looks downright unprofessional. Many businesses have succeeded in using the Internet as their primary, or sometimes only, medium. Small businesses, too, have become easier to start up using the Internet. If you're a stay-at-home mom who makes a killer batch of cookies, you can easily sell them over the Internet and ship them to your customers.

M. V Rodriques (1992) says as the technology evolved, communication protocol also had to evolve. The view people take toward communication is changing, as new technologies change the way they communicate and organize. In fact, it is the changing technology of communication that tends to make the most frequent and widespread changes in a society. Some businesses are already experiencing
substantive change. Online organizations are being formed, co-ventures launched, contracts made, projects coordinated, sales managed, customers served, problems solved, employees trained, papers co-authored, etc. Online collaboration sometimes emerges in the complete absence of any face-to-face or voice-to-voice communications. E.g. Chat System, Electronic Mail, Bulletin Board, Computer Conferencing, Many-to-Many Communications, Electronic Organization—Various access controls, Participation System, Decision-making aids, for groups and individuals

Rajendra Pal & J S Korlahalli (2006) says technology has dramatically changed the landscape of business communication today. It is fast annihilating the barriers of time and space and the concept of our world turning into a small global village now appears to be a distinct and near possibility. He comes out with some apparent advantages and limitations about technology being used business communication.

**Merits:**

1. **The quickest means of communication.** Communication technology has drastically reduced the time taken to formulate as well as to transmit it.

2. **Space no longer a barrier to communication.** Messages cannot be sent fast to any place in the world provided that place is associated in the network.

3. **Video conferencing can replace the personal meetings.** Executives now can hold conferences without undertaking long uncomfortable journeys that also prove to be expensive in terms of money and time.

4. **Better means of keeping permanent record of valuable and bulky data.** The information is easy to store, easy to retrieve. Since it is stored in compressed format, it is possible to store even bulky data. It the computer
is networked, information can be shared and accessed by larger community of people.

5. **World Wide Web as a publishing platform.** www is a hypermedia supporting audio, video, graphics, text, distributed delivery system on the internet.

**Limitations:**

1. **Uncertain legal validity.** Written communication is a permanent record of proceedings and is accepted as a legal document in a court of law. No such sanctity has yet been given to computer records. If data is stored both on disc and in office file, it will multiply work rather than reduce it.

2. **Fear of undesirable leakage.** Easy accessibility of information on network can sometimes become the biggest liability on this channel. Leakage of highly sensitive and confidential information can create problems for business.

3. **The virus malady.** Sometimes some undesirable viruses get into system. Such an occurrence can have tragic consequences for the targeted organization.

**David Heise (2012)** referring to the changing nature of work says that the nature of work has changed from factory manufacturing and pre-computer office work where each stage in the production process occurred independently of one another, and was coordinated by supervisors. Worked was organized into silos. Within a silo, work passed from one machine tool station to another, from one desktop to another, until the finished product was completed. Today the kinds of jobs we have require much closer coordination among the parties involved in producing the service or product. In factories also, workers today often work in production groups, or pods. Interaction
jobs include most office jobs that require close coordination of many different people in order to complete the work. For instance, creating a Web site for a firm requires collaboration among senior management, marketing professionals, Web designers, and information technology specialists who can implement the site; delivering legal services requires a team of lawyers and accountants working together on a single case.

A study, which was commissioned by Verizon Business and Microsoft (2006) brought out a report, named "Meetings around the world: The impact of collaboration on business performance" which was conducted in March and identifies the influence of communication on business performance. The report revealed that communication in business is twice as important as marketing strategies and five times as influential as external market forces, according to a new report. That study concluded that "collaboration is a key driver of overall performance of companies around the world. Its impact is twice as significant as a company's aggressiveness in pursuing new market opportunities strategic orientation and five times as significant as the external market environment called market turbulence. The survey collected 946 respondents from 2000 companies in the United States, Europe and the Asia-Pacific covering financial services, government, healthcare and pharmaceutical, high technology, professional services and manufacturing, with revenue ranging from $US5 million to $10 billion. It found that, out of the three major aspects of business performance, quality of communication is the largest contributor with 36 per cent, while pursuing new markets accounted for 18 per cent and external market forces affected only seven per cent. Technologies represented in the study included e-mail, meeting scheduler, instant messaging, video conferencing, audioconferencing, web conferencing, desktop or wired PC, mobile/wireless PC, PDA with no Web access, PDA with Web access, mobile phone with Web access and pager. The study also
showed that a global culture of collaboration exists, but that there are regional differences in how people in various countries prefer to communicate with one another.

Virtual collaboration expert Jaclyn Kostner said the key to success isn’t just to plug in or log-on to some new technology. Instead, it centers on the human side: how people embrace and use technology’s power to create fast teamwork, fast collaboration, and fast results from wherever in the world people happen to be communicating. Collaboration via communication is an important consideration in the marketplace. She stresses "As a general rule, global companies that collaborate better, perform better. Those that collaborate less, do not perform as well. It's just that simple." Fast is no longer fast enough. Incremental increases in speed just won’t cut it in a new era that demands quantum leaps in virtual team performance. Velocity is about hyper speed – teamwork, performance, and results that are magnitudes faster than teams create today.

Yar M Ebadi and James M Utterback (1984) examined the relationship between communication and technological innovation. They focused on the patterns of technical communication among researchers and organizations to find out whether these patterns had any effect on the success of technological innovation. The objectives of the study were to investigate the effects of communication on technological innovation at an individual level and to study the effects of interorganizational communication on technological innovation. They gathered data from the principal investigators of 117 Sea Grant research projects, which were randomly selected from a sampling frame of 495 projects. Bivariate correlation and partial correlation were employed in analysing the data. Their findings indicated that at individual level, the frequency, centrality and diversity of communication all have
positive effects on the success of technological innovation. It was found that high formality of communication had a negative effect on technological innovation. There are several managerial implications of their study which include management attempts to facilitate and promote exchange of information among researchers and among organizations, joint research and other interactive activities.

DovTe’eni (2001) studied several theories available to describe how managers choose a medium for communication. And found that current technology can affect not only how we communicate but also what we communicate. As a result, the issue for designers of communication support systems has become broader: how should technology be designed to make communication more effective by changing the medium and the attributes of the message itself? The answer to this question requires a shift from current preoccupations with the medium of communication to a view that assesses the balance between medium and message form. There is also a need to look more closely at the process of communication in order to identify more precisely any potential areas of computer support. He conducted a study and provided the spadework for a new model of organizational communication, and used it to review existing research, as well as to suggest directions for future research and development. Beginning with the crucial aspects of action, relationship, and choice, an integrated model of how people communicate is developed by him. This model incorporates three basic factors: (1) inputs to the communication process (task, sender-receiver distance, and values and norms of communication with a particular emphasis on intercultural communication); (2) a cognitive-affective process of communication; and (3) the communication impact on action and relationship. The glue that bonds these factors together is a set of communication strategies aimed at reducing the complexity of communication. Globalization, competition, technological sophistication, and
speed have increased the complexity of organizations. If, indeed, organizations thrive on communication, then clearly, communication should enable them to cope with such complexity. The information systems field can play a role in enabling effective communication, but for this, such a field needs to inform the design of information technology on the basis of a realistic model. He proposed a model that seeks to draw a balance between relationship and action, cognition and affect, message and medium.

The study shows that out of 375 business and IT managers (114 business managers and 261 IT managers) who participated in the third wave of InformationWeek Research's E-Business Agenda Study June 2000, a whopping 74% personalize their E-business communication with customers. Surprisingly, the majority of respondents are using personalization for business-to-business initiatives. In fact, of those companies using personalized E-business communication all the time, 61% are in the business-to-business market. The survey also shows that businesses that use personalization in their E-business communication are seeing real benefits in return. Of those that personalize all communication, 39% say their E-business revenue has increased significantly. Among companies that personalize only some of their communication, 25% report a significant increase in revenue. Not surprisingly, the IT industry leads the pack in using personalization, and 92% personalize E-business communication with their customers. But banking, financial services, and insurance firms aren't far behind; in all, 77% say they personalize communication with customers.

Suresh Kotha (2013) believes that the technology that holds the most promise is the two-way customer-communication platform. It enables all the aspects that change the way we do business with our customers and how they maximize the capabilities available to them as company-owning consumers. A few examples immediately
available are: time-based pricing, which will more closely align cost and price; enhancement and streamlining of our billing and budgeting, which keeps rates stable and helps customers save on their bills while understanding how they use their energy; customer energy-usage data availability through online or in-home energy use display communication; outage detection, customer notification and automated restoration capabilities; and demand response where the utility can control some customer loads to reduce peak period loads.

David Heisie(2012) in Chapter 2 - E-business and Collaboration of his eBook, Collaboration and Teamwork discusses in detail how collaborative technology has facilitated business in a great extent. Talking on Information Technology and Systems to Enable Collaboration and Team Work, he says building a collaborative, team oriented culture will do little good if you don't have the information systems in place to enable that collaboration. This would be like having a house without the plumbing and electrical infrastructure. Today with the Internet, it is possible for nearly the entire labour force of firms to be online and to collaborate with their respective fellow employees, customers, and suppliers. Research on the various ways in which information technology supports collaboration has been going on since the late 1980s when the Internet was in its infancy, and the first software tools began to appear that supported what was call "group work." These early tools were called "group-ware," and the field of study was called "computer supported cooperative work" (CSCW). Groupware included capabilities for sharing calendars, collective writing, e-mail, shared database access, and electronic meetings with each participant able to see and display information to others, and other activities. Today, groupware is one of many software tools and applications for supporting and enhancing collaboration, many of which are Internet-enabled. Currently there are literally
hundreds of tools designed to deal with the fact that, in order to succeed in our jobs, we are all much more dependent on one another, our fellow employees, customers, suppliers and managers. For instance, one company enlisted the talents of over 100 groupware experts at a conference and produced a map listing 150 free (or nearly free) online collaborative tools in fifteen categories.
4.4 Literature Review on SMEs

Small scale industries today constitute a very important sector of the Indian economy. The development of this sector is very crucial for the economic growth of the country, especially when government tries to develop core industry and have a supporting sector in the form of small scale enterprises. In the last few years, small scale industry has emerged as a dynamic and vibrant sector of the economy. The contribution of this sector in the economy is next to agriculture in India. It is therefore worth developing sector of economy. Small scale industries are playing significant role in the economy. Government is also trying to be more supportive to this sector by supporting in terms of subsidies and other motivations. In spite of lot of attempts of government this sector is not developing as per those companies in other countries and economy. A lot of research has been done in this area to search out what are those inhibitions and obstacles that stop small scale companies from rising to the expected level of success. Given below are some of the excerpts of article and research papers based on research on small scale industry.

Rele (1980) revealed that small-scale industries are not only a better job creator but they also promote technical innovation. Small Scale Industries have always remained instrumental in generating employment with limited capital investments, mobilizing resources and having lot of scope for technical innovation.

According to the author Sukanta Kumar Sahoo (2004) small scale industries has acquired pre-eminent position in the economic structure of the country and helps the economic development and removal of disparities. It is the symbol of our economy and reflects production by masses rather than mass production. As of today this sector has 34 lakhs units, which is 95% of industrial units in the country and producing over 7500 different items. The sector contributes about 40% of the value added in the
manufacturing. 34% of the export, gainful employment to 177 lakh persons and 7% to
the GDP. The average rate of growth of production is estimated at 7.7% and
employment is about 3.7% per annum during the Ninth Plan and the target for the
Tenth Plan has been kept at 12% and 8% (GDP). The sector blossoms into an epitome
of excellence and harbinger of a new egalitarian society. The SSI sector has proved its
mettle even in the changed liberalized economic environment of the country. The
gradual and impending applications of WTO Regulations and removal of Quantitative
Restrictions have added to its woes. With decline in agricultural employment and
virtual stagnation in the organized manufacturing sector, employment in this sector
has emerged as the only ray of hope and concluded that the small scale sector is the
symbol of that facet of our economy which reflects production by masses rather than
mass production. With decline in agricultural employment and virtual stagnation in
the organized manufacturing sector, employment in SSI sector has emerged as the
only ray of hope.

Leo Paul Dana (2001) views entrepreneurship as creator of wealth and as a process
to solve unemployment problems. According to the author Entrepreneurs contribute to
industrialization as well as to economic growth; they improve living standards and tax
revenues from their enterprises contribute to a nation’s treasury. The author also
provides a survey of education and training of entrepreneurs in different contexts
across Asia.

William R. Pendergast (2006) through a literature review describes the early stage of
entrepreneurial experience arising from opportunity, uncertainty, lack of structure,
resource scarcity and fluid or dynamic quality. According to the study, certain beliefs,
attitudes and behaviours are functional within the context of the entrepreneurial
processes. He concludes that the traits form a cluster in which the ability to deal with
uncertainty and a sense of personal efficacy leads to an attenuated perception of risk and a pro-active disposition.

**Sibylle Heibrunn (2007)** studied fifty-six Israel Small and Medium enterprises, to delineate the type of assistance needed by the entrepreneurs; to explore which factor will influence the type of assistance needed; and to investigate the actual impact of the assistance on the entrepreneurs. Business needs of entrepreneurs were ranked in respect of their Mean and Standard Deviation values, and identified that entrepreneurs need more assistance concerning external factors and less assistance concerning the running of the business itself. The study reveals that level of future intentions of the entrepreneurs influence the amount of assistance required from the Business Development Programme. He concludes that Business Development Programmes must fit the needs of the entrepreneurs and the development potential of the business.

**Rahul Celly (2002)** describes the motivating factors like Desire, ambition and power which directs entrepreneurs to climb the ladder of success and concludes that entrepreneurs must set and go by the values which builds confidence, provides peace of mind, and enhances energy and enthusiasm during trials and tribulations.

**Padma (2002) lays** down six important resources essential for running the venture

- Evaluating strengths and weaknesses.
- Being Committed.
- Having desire, drive, determination and discipline.
- Believing in own product/venture and working hard to make our own people believe in it too.
- Creating a business plan (after the prerequisite market research)
- Having a great backup to get advice and encouragement needed to keep going.

By applying the mean and standard deviation the study highlights that to survive
trepreneurs should embrace change within their organization, maintain a committed
and motivated workforce, combine elements of both leadership and management in
their role, choose an ideal location, quick and prompt information gathering, exploit
external support and legislation. Rapid changes and increased competition are making
it increasingly necessary to develop a strategic approach and plan for effective
succession in the organization. The study concludes that important skills such as
delegation, time management and strategic thinking and training, should be delivered
through an informal, flexible approach for success of an enterprise

Bhatia B.S. (1974) investigated the situation of fifty manufacturing firms having less
than fifty workers functioning in Punjab. He studied the socio- economic background
of entrepreneurs, their attitudes towards industry, the way in which they have made
the transition to industry and the problems encountered by them by establishing a
parametric relationship by applying Karl Pearson’s Coefficient of Correlation. He did
not find any relationship between the growth of the firms and the socio-economic
background of the entrepreneurs. However, he notes that the firms that continuously
expanded had gradual growth and were started with a relatively favourable capital
base and merchants established most of them. The entrepreneurs showed the tendency
to diversify instead of expanding after a particular point since they lacked vital
information about wider markets

Former Prime Minister (Atal Bihari Vajpayee) in his speech at the Asian Summit
said that Change in India is visible not only in a high- visibility sector like IT- enabled
services. Entrepreneurship, employment and self-employment are also growing in
India’s rural and semi-urban economy.
According to Vepa (1971) small-scale industries in India are distinct from traditional and village industries. Small-scale industries are generally modern small firms employing modern techniques to produce modern products.

According to Habib (1972) it is only small-scale sector through which economic prosperity may reach the remote sections of the society. He concluded that small-scale industries play an important role in the economic development by providing numerous chances of income and improving the standard of living of the masses.

Sarveshwar Rao V. and Nafzinger E.W. (1975) conducted a study of entrepreneurs operating in Vishakapattanam to find out the factors determining the supply and success of Industrial Entrepreneurship. By applying the Chi-square test they found that socio-cultural features of the traditional Indian society were no longer standing in the way of development of modern entrepreneurship. This study underlined the importance of education, training and work experience for successful development of modern entrepreneurship.

Kaveri (1990) concluded that small industrial sector has acquired greater importance in Indian economy. In term of employment generation, this sector is next only to agriculture and accounts for about one fourth of the total exports of the country. The importance of small industry in the Indian economy was recognized at the beginning of the plan period itself. Various policy measures were taken over the years to promote employment and investment in this sector. The various agencies set up by the government and the financial institution have been rendered consultancy services mainly technical consultancy to the small scale industry.

Rao (2001) found that the development of modern small-scale industry as an instrument for industrialization, employment creation, widening the entrepreneurial base and dispersal in rural and backward area. Focussing on multiple objective
through to some extent inevitable in the type of socio-economic dualistic structure that obtain in India, would seem to create problems particularly in optimising the use of scarce resources at the field level.

Small – scale industries programme was initiated by the Government of India following the recommendation of an international planning team assembled with the aid of the Ford Foundation in 1953. The necessitates a reassessment of the small industries policy in its entirety

Paul Schumann & Donna Prestwood (2004) argues the need to focus on efforts to produce effective and efficient innovations and presents a new approach to target these innovation efforts. Market driven innovation methodology as a means to approach the organizations opportunities and threats are proposed in detail in this paper.

The Management Development Institute (1983) in its study on the assessment of institutional SME stance in the states of Uttar Pradesh, Punjab and Himachal Pradesh, found that the facility of institutional finance had a nominal impact in Himachal Pradesh, but was quite significant in Uttar Pradesh. The study team also found that about 98% of the entrepreneurs did not receive any training in Punjab and yet most of them were successful mainly due to the natural entrepreneurial skill of the Punjabi community. But in Uttar Pradesh and Himachal Pradesh there seemed to be greater need for expanding training programmes to generate entrepreneurial motivation.

GudiSavitri M.(1984) has listed out the type of assistance provided by the Karnataka state Social Welfare Board for SMEs. She has recommended the establishment of a marketing advisory center for SMEs that would provide information regarding marketing trends; consultancy services and also organize trade
fairs to market their products. She has also called for the establishment of a separate industrial estate/complex for SMEs which would include servicing centers, training facilities, testing facilities for quality control, research and development support and marketing and counselling center.

**GiinterFaltin (2004)** presents techniques and examples of generating entrepreneurial ideas. The goal is to show that in the present age, which is marked by rising levels of education, growing consumer sophistication and increasing opportunities for comparing vines, ideas that are developed in harmony with society’s values have good and growing chances for success in the marketplace.

**Das Gupta (1994)** emphasized that management of the resources available within an organization is the best and the cheapest way of arranging resources. In this regard, SSI units should pursue with the suppliers for extending their terms of payment which helps. Such arrangement should be made ahead of the time when the additional credit will be needed. Similarly, customers can often be persuaded to finance a large order, ensure part payment with the order as also through progressive payment as the job proceeds. A better inventory management ultimately leading to just ‘In time” system of management of inventory would release substantial amount of funds to the SSI units for utilization in higher yielding avenues.

**Gupta M.C. (1987)** recently studied entrepreneurial performance of sixty small entrepreneurs, taking twenty each from Kanpur, Allahabad and Gorakhpur in Uttar Pradesh. In his study he deals in detail with the essential qualities and functions of entrepreneurs, policy framework and support systems to develop entrepreneurship in the small sector. He makes recommendations for framing policies in future and outlines the role of the government in developing entrepreneurship in the small Industry Sector.
Mobilization of Resources

In the vast territory of India there are certain areas, particularly the rural areas, which possess enormous untapped resources in the form of hoarded capital and underutilized human skills. Moreover, the rural areas possess considerable potential for market channels of raw material as well as finished products. The establishment of small enterprises in the rural areas and small towns by the first generation entrepreneurs through resources mobilization their own is an achievement of the promotional policies. As such the development of small units builds a stronger middle class and taps capital investment from family saving this was examined in a study conducted by Hashim and others in Vadodara and Kheda districts of Gujarat. It was observed that from the total number of units covered under the sample survey, nearly 83 percent units in Baroda and 68 percent units in Kheda were started by their present owner.

AravazhiIrissappane D. (2004) studied eighty-five small-scale entrepreneurs situated in the Industrial Estates in and around Pondicherry now renamed as Puducherry, regarding the impact of Information technology on entrepreneurship management. The stress areas taken for the study were project management, working capital management, inventory management, production and operation management, marketing management, human resource management and total quality management. By applying Percentage, Weighted score and Average Analysis he concluded that information technology would minimize the stress elements which will pave way for the success of small-scale industries.

According to A.Raghurama and N.HalaNaik March (2004) marketing problem is not an independent one for SMEs, it is related issue and it is a complex problem of marketing finance, Marketing Infrastructure like forward and backward linkages, product decision, pricing decision, promotion policy, selection of distribution channel
problems. To tackle this, it requires collective efforts on the part of the entrepreneurs of the units, Government, Policy makers and Promotional agencies involved in the promotion of small scale units and concluded that small scale industries must survive and grow for which marketing is of vital importance. But small scale industries are faced with marketing problems. It requires a well-devised future marketing strategy to overcome this problem. The problem of marketing of small scale units in future can be tackled if all engaged in the process realize their responsibility and put forth concerted efforts with commitment, dedication and real will to solve the problem.

Ashes Bhattacharyya (2005) states that excellence, skill, knowledge thinking with a positive attitude and outlook of the individual are the order of the day. To cope with the existing deficiencies in our present pattern of education, revolutionary transformation is required in the system to produce the quantity of skilled manpower, the nation needs.

According to M. H. BalaSubramanian, (2004) the impact of globalization and domestic economic reforms on small industry are worth studying. Small industry has suffered in terms of growth of units, employment, output and export. But the policy changes have also thrown open new opportunities and markets for the sector. To avail of these, the focus must be turned to technology development and strengthening of financial infrastructure in order to make Indian small industry internationally competitive and contribute to national income and employment and concluded that Concerted efforts is needed from the government and small industry to imbibe technological dynamism. Technological up gradation and in-house technological innovations and promotion of inter-firm linkages need to be encouraged consciously and consistently. A technologically vibrant, internationally competitive small industry
should be encouraged to emerge, to make a sustainable contribution to National income, employment and export. It is essential to take care of the sector to enable it to take care of the economy.

Naveen Nicolas E. (2006) in his descriptive study, brings out that creating customers is the main purpose of SMEs and marketing is the means to achieving it. He highlights that web based marketing has the power to expand any product or service of any SSI beyond the local market and gives them a competitive advantage in the global market. His study concludes that web based marketing gives the business a new strategy to conduct market research, product planning, promotion, marketing mix, pricing and so on. Finally he states that web based marketing allows SMEs to get closer to customer through Customer Relationship Management.

Anjan Raichaudhuri (2005) has examined entrepreneurship education in the Indian context based on over a hundred interviews with Indian management graduates. The author has explored their entrepreneurial inclinations and studied their perceptions of educational support in entrepreneurship development.

Bindu Shridhar (2005) addresses about SMEs. The author says that SMEs presently comprise about 10% of the total number of entrepreneurs in India, with the percentage growing every year. If the prevailing trends continue, it is likely that in another five years, SMEs will comprise 20% of the entrepreneurial force. With corporate eager to associate and work with SMEs-owned businesses, and a host of banks and non-governmental organizations keen to help them get going, there has rarely been a better time for SMEs with zeal and creativity to start their own business. The author concludes by saying that marketing our self and taking credit for achievements is very essential for thriving business.
According to Janina Gomes, (2001) the study faced with the phenomenon of globalization and internationalization, a major role clusters can play in India through networking is to become sub-contractor for clusters overseas In order to do this, quality standards and technological upgradation are of the utmost importance. By networking with clusters overseas, these clusters will not merely find ready markets abroad, but they will also become leaner and better able to handle markets and competition. This is the route through which Italian clusters survived and prospered and it can well become the route through which Indian clusters can ensure their continuing viability.

Suresh K. Chandha, Ramanjit Kaur Johal and Keshav Malhotra (2007) studied the knowledge management model of twenty-one SMEs of the Pharmaceutical sector in and around Chandigarh. Using Gamma Co-efficient of Correlation they found that there was significant correlation between SMEs and the knowledge management system i.e. training and development for employees, proper management system, knowledge about markets and products, innovation, utilization of knowledge for value creation, creating customer intimacy, sharing, storing and learning and so on. They concluded that knowledge management is sharing and transmitting the knowledge that the firm already owns and that leadership of the entrepreneurs is the most important ingredient for the success of knowledge management.

According to the author S.V.Raju (2001) one of the consequences of globalization will be opening the floodgates for better quality goods into the country. The small-scale industrial units, already weak in marketing function even in the domestic market, are incapable of withstanding onslaught of these foreign goods. It is a distant dream that the SSI units will be able to expand their foreign markets, as reciprocal opportunity will be available to them by our economy getting integrated to the world
economy. Enhancing the investment level can bring in many medium scale units within the purview of small-scale sector. This may cause an unhealthy scramble for the limited facilities offered by the government including provision of raw material on concessional rates, allotment of sheds and market and technical support offered to the SSI units. This may result in too many chasing too few facilities and concessions available and in the race some small units may fall by the way side and become sick.

**ShanthiNachiappan and Santhi N (2007)** studied the performance of fifty SMEs micro-technopreneurs in Chennai who borrowed loans for their SMEs. By using Chi-square and SWOT (Strength, Weaknesses, Opportunities and Threat) Analysis they illustrated that married middle-aged people who had economic and family problems started business working in SMEs. They also found that their business is doing well while the middle aged SMEs felt that their business records average profits. They have also stated that their strengths were self-motivation, determination, hard work and self-confidence while their weaknesses were health hazards, finance and family problems. Finally they conclude that a good vision coupled with technology would improve their efficiency.

**Kaveree Banzai (2006)** conveys that today's SMEs are balancing work and home effectively. The old equation that working mothers = neglected homes have been rewritten. The author points out the survey conducted by global market research company during 2006 across seven cities which finds that 50% of the working SMEs do not have guilt about not being with children 80% felt that SMEs are more capable of multi-tasking than men and 45% said their leisure is to spare time with their children. She also says that SMEs work not only for financial purpose but also to get recognition in the society. The author through this research finding says that SMEs are successfully proving their multi-tasking.
Prema Basargekar (2007) in her descriptive study gives the present scenario of SMEs in India and the various challenges, which they are facing in the changing global scenario. In her study she states that, in India, SMEs own only 10% of the enterprises and they prefer trading or servicing units rather than manufacturing. She then focusses on marketing challenges faced by SMEs and various strategies used by them and related measures to overcome the challenges.

Sumangala Naik (2003) compares the small scale manufacturing units run by in India with the business owned by SMEs in other countries and identifies the problems and constrains faced by SMEs entrepreneurs in our country. The author also states that more opportunities exist in small and medium scale industries and proper marketing strategy for such products should be planned and implemented, which will give scope for SMEs entrepreneurs.

Rajesham, & Raghava (2004) examines the challenges of SMEs highlighting their significance in the economy in the process of globalization and identifying their problems and prospects thereof. The authors in this article also present the scenario of corporate SMEs at national and state level.

Anil Kumar (2004) examines the barriers faced by SMEs while managing their business. The analysis of data in this article is based on a sample of 120 SMEs. Analysis of data highlights that overwhelming proportion of SMEs faced the problem of acquiring latest technical know-how and provision of quality of products to the customers.

Bharti Kollan & Indira J Parikh (2005) focuses in this article on the Problems of SMEs entrepreneurs. The author notes the status of SMEs and the problems faced by
them when they venture out to carve their own niche in the competitive world of business environment.

**Nerys Fuller-love (2006)** reviews the literature concerning management development in small firms. In this paper the author looks at some of the barriers to management development including the attitude and characteristics of the entrepreneur and also looks at learning models that may be appropriate for small firms.

**David A. Garvin and Lynne C. Levesque (2006)** describes the management issues faced by companies that pursue new-business creation, as well as the usual problematic responses. The authors explore a number of the most critical balancing acts the companies must perform, the choices they entail and the risks corporations face when they fail to get the balance right.

As per the **Special Group Report (2007)** the major problems faced by the SME sector relate to:

- Credit
- Infrastructure
- Technology
- Skill Development and
- Marketing

**Technology Upgradation**

According to **V. Srinivasa Kumar (2010)** The SME sector in India uses wide spectrum of technology ranging from traditional to state-of-the-art. Since over 98 per cent of SME units are tiny or micro enterprises, they use traditional or local technology called backward or inappropriate and this affects the productivity, quality and competitiveness of the products. Export promotion and technology upgradation
are synonymous since it is the door to improving quality and reducing the costs of production. As small units mainly concentrate on serving local markets they prefer to rely less on sophisticated technologies and more on simpler processing techniques. This inertia needs to be broken at the earliest. Some units find it difficult to go for better technology as these are costly and the present investment ceilings of SME sector do not permit the same.

As per the Survey conducted by Methods Apparel Consultancy – for Managers & Supervisors, (2007) on: Status of Apparel manufacturing SMES in the NCR Delhi Region.

The analysis is based upon the survey conducted by the Methods Apparel Consultancy. Ten factories were rated and 300 people were assessed during the surveys in November- December, 2007 commissioned by the Garment Technical Cooperation (GTZ) in association with Okhla Garment and Textile Cluster (OGTC) to analyze current systems and advise ways to improve overall productivity.

The survey was done in two parts, the first analyzing the factory and the second evaluating the personnel.

A comprehensive checklist was developed which covered various parameters of managerial and supervisory characteristics and each point on the checklist was awarded a value of 1 to 5 points. The people were evaluated by their immediate superiors in complete confidentiality and a score for the average level of the industry was calculated.

Findings

Communication skills were found to be grossly lacking among both managers and supervisors. Many of them still believe that the louder you shout the more you
produce. Effective communication skills if not inborn can be acquired by professional
training and can be a major tool for the managers.

The other criteria were: the discipline to manage a to-do list, Leadership Techniques,
Decision making, Planning and organization, Work Study Quality and Productivity,
Computer Knowledge and General industry knowledge etc.

The training requirements suggested were as follows:

- Communication for Managers
- How to get the best out of your staff
- Conflict management
- Team building

**Statistical Analysis**

In total, 61 managers were evaluated, 96% were unable to achieve the required level
of communication skills. It was marked as the ‘Most Urgent Need’.

**SME Chamber of India** claims that despite its commendable contribution to the
Nation's economy, SME Sector does not get the required support from the concerned
Government Departments, Banks, Financial Institutions and Corporate, which is a
handicap in becoming more competitive in the National and International Markets.

SMEs faces a number of problems - absence of adequate and timely banking finance,
limited capital and knowledge, non-availability of suitable technology, low
production capacity, ineffective marketing strategy, identification of new markets,
constraints on modernization & expansions, non-availability of highly skilled labour at
affordable cost, follow up with various government agencies to resolve problems etc.
India Brand Equity Foundation presents a report on SME’s role in India’s manufacturing sector. In Empowering SMEs to facilitate growth the main barrier in the growth of SMEs is the lack of resources. SMEs require support from government and industry bodies to overcome the limitations. In line with this, the National Manufacturing Competitiveness Council (NMCC) has announced 10 schemes for developing global competitiveness of the Indian MSMEs in the sector. These schemes cover most of the key areas related to the manufacturing activity –

**Lean Manufacturing Competitiveness Scheme**: Implemented under the Public Private Partnership (PPP) mode with 42 Lean Consultants, the project aims to reduce manufacturing waste, and increase productivity and competitiveness.

**Design Clinic Scheme**: This is a platform to enable MSMEs to avail expert advice and cost-effective solutions for real-time design issues. The scheme includes two projects, namely Design Awareness and Design Project Funding.

**Marketing Assistance and Technology Upgradation**: The scheme* focuses on upgrading technology for increasing competitiveness in marketing. Activities include technology upgradation for packaging, competition studies and development of marketing techniques.

**Technology and Quality Upgradation**: The scheme* aims to encourage MSMEs to adopt global standards for improving the quality of goods.

**Promotion of Information and Communication Tools (ICT)**: The scheme* focuses on encouraging the adoption of ICT technology by SME clusters, which have been delivering world-class products and, therefore, have potential for growth in exports. The scheme covers building E-readiness infrastructure* and web portals and linking it to national level portals for reaching global markets, training MSME personnel for
ICT applications, and the development of software solutions for efficient management of production at clusters, among other measures.

(*E-readiness infrastructure implies developing the physical infrastructure of a firm/organization up to a state that enables the usage of information and communication tools and technology) http://www.ibef.org/download/SMEs-Role-in-Indian-Manufacturing.pdf

4.5 Research Gap and Summary

From the above review of literature it seems that a lot has been discussed on importance of management communication for business enterprises. In fact, undoubtedly it has been established that companies having more inclination towards effective communication system have been far more progressing than the rest. Similarly these days, when the entire world has become a small village, it is requisite for small businesses too to adopt some technology to be visible in the market. A lot of research has also been referred and analyzed on the role of SMEs as growth engines of Indian economy and the dearth areas where they need to develop so as to get into mainstream business. During the review it has been observed that some studies have focused on benefits of effective communication for SMEs, some have studied the available technology for small businesses and their working mechanism and also cost per technology. Government role in gearing up these SMEs by providing lot of amenities and subsidies was also found during the review. Some researchers have also taken painstaking efforts to find out what are the problems faced by SMEs in technology adoption and how government can be at their rescue. But these researches have been carried out in other parts of country and majority is in foreign countries where developing small businesses seem to be prime concern of ministry of industry. After comprehensive reviewing the literature the research gap is found that no
research has been conducted for SMEs of Anand and Kheda districts in the area of management communication and role of communication techniques and technologies for effective management of these SMEs. The present study encompasses these issues by posing indigenous problems and giving their solutions.