# Communication And Control

Unit-V

What is communication?

Communication refers to the process by which information is exchanged between two or more people ,Each of the management roles—planning, organizing, leading, and controlling—depends on effective communication. Managers must be able to receive accurate information to determine plans, and they must be able to send accurate information for the plans to be implemented. When information is accurately sent and received, everyone in an organization can be informed., however, when information is misinterpreted or when incorrect information spreads, communications can create significant problems in organizations.
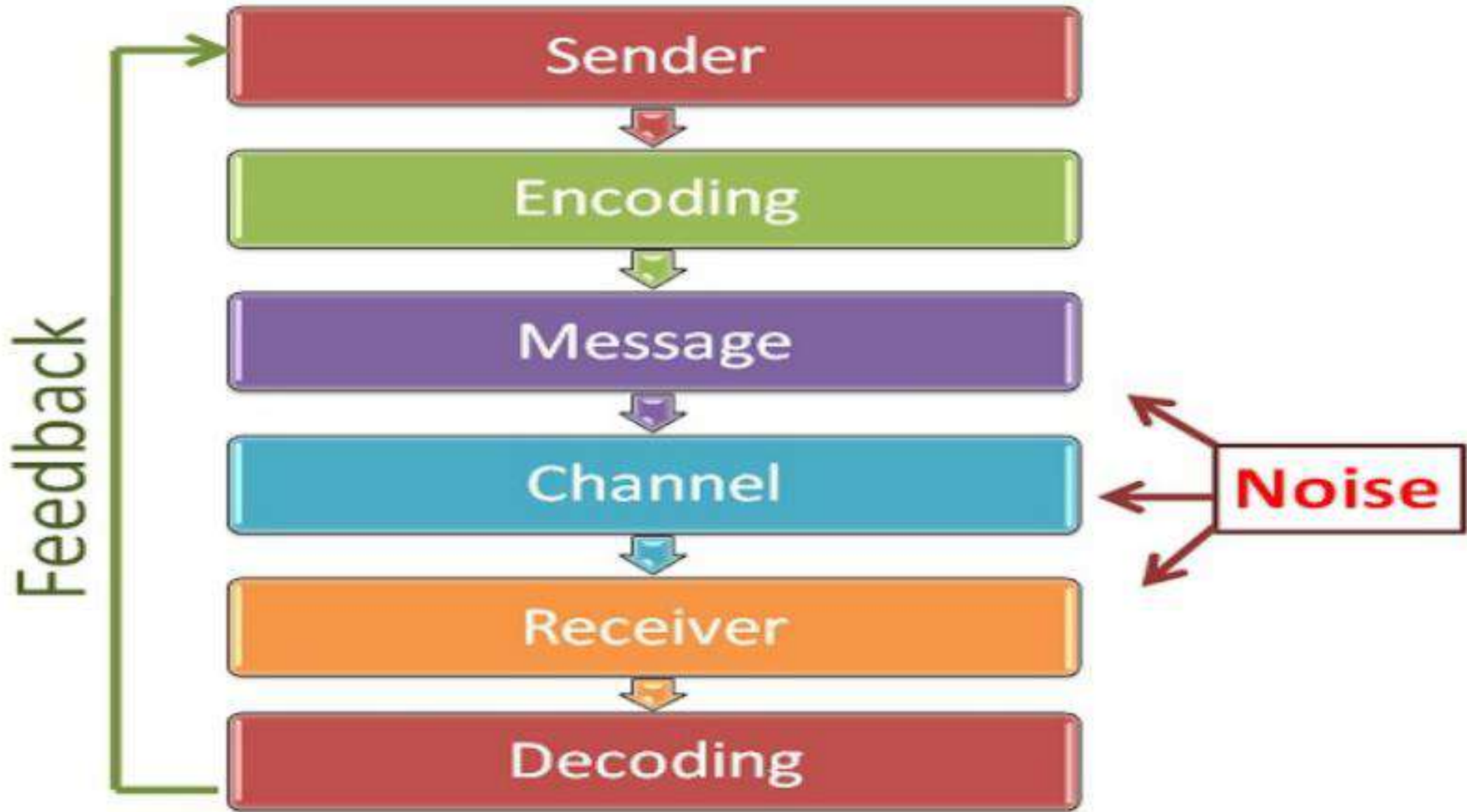
Communications Process

◦ Communications is a continuous process which mainly involves three elements viz. sender, message, and receiver. The elements involved in the communication process are explained below in detail:

◦ 1. Sender

◦ The sender or the communicator generates the message and conveys it to the receiver. He is the source and the one who starts the communication

◦ 2. Message

◦ It is the idea, information, view, fact, feeling, etc. that is generated by the sender and is then intended to be communicated further.

◦ 3. Encoding

◦ The message generated by the sender is encoded symbolically such as in the form of words, pictures, gestures, etc. before it is being conveyed.

◦ 4. Media

◦ It is the manner in which the encoded message is transmitted. The message may be transmitted orally or in writing. The medium of communication includes telephone, internet, post, fax, e-mail, etc. The choice of medium is decided by the sender.

- 5. Decoding
- It is the process of converting the symbols encoded by the sender. After decoding the message is received by the receiver.
- 6. Receiver
- He is the person who is last in the chain and for whom the message was sent by the sender. Once the receiver receives the message and understands it in proper perspective and acts according to the message, only then the purpose of communication is successful.
- 7. Feedback
- Once the receiver confirms to the sender that he has received the message and understood it, the process of communication is complete.
- 8. Noise
- It refers to any obstruction that is caused by the sender, message or receiver during the process of communication. For example, bad telephone connection, faulty encoding, faulty decoding, inattentive receiver, poor understanding of message due to prejudice or inappropriate gestures, etc.

The Broad Categories of Communication

◦ On the basis of the communication channels, types of communications are:

◦ Verbal

◦ Non-Verbal

◦ Visual

◦ Verbal

◦ This involves the use of language and words for the purpose of passing on the intended message. In general terms, Verbal Communication means communication in the form of spoken words only. But, in the context of types of communication, verbal communication can be in the spoken or the written form. Thus, the verbal form may be oral or written as discussed below.

◦ Written Communication: This kind of communication involves any kind of exchange of information in the written form. For example, e-mails, texts, letters, reports, SMS, posts on social media platforms, documents, handbooks, posters, flyers, etc.

◦ Oral Communication: This is the communication which employs the spoken word, either direct or indirect as a communication channel. This verbal communication could be made on a channel that passes information in only one form i.e. sound.

Non-Verbal Communication

◦ In this type of communication, messages are relayed without the transmission of words. The messages here are wordless messages. This form of communication mainly aides verbal communication. It supplements it with gestures, body language, symbols, and expressions.

◦ Through these, one may communicate one's mood, or opinion or even show a reaction to the messages that are relaying. One's non-verbal actions often set the tone for the dialogue. You can control and guide the communication if you control and guide the non-verbal communication. Some of the modes of non-verbal communication are:

◦ Physical Non-verbal Communication

◦ This is the sum total of the physically observable. For instance, hand gestures, body language, facial expressions, the tone of one's voice, posture, stance, touch, gaze, and others. Several researchers have revealed that physical nonverbal communication constitutes about 55% of our daily communications.

- Paralanguage
- This is the art of reading between the lines. The main kind of such communication is done with the tone of one's voice. This kind of communication amounts to almost 38% of all the communication that we do every day. Along with the tone of voice, the style of speaking, voice quality, stress, emotions, or intonation serves the purpose of communication. And, these aspects are not verbal.
- Aesthetic Communication
- Art is an important means of communication. Through the paintings or other forms of art, an artist can covey the strongest messages. Several times in the history of the world, art has been used as an effective form of nonverbal communication.ss
- Appearance
- The first impression sets the tone. People will react to your appearance and this is a fact of life. Your clothes, the color of the fabrics, etc. all determine the reaction of your audience.

visual communication

◦ Visual Communication

◦ This is communication through visual aids like drawings, placards, presentations, and illustrations, etc.

◦ Formal & Informal Communication

◦ Apart from the above types, we have formal & informal types of communication. Formal communication is of following types:

◦ Vertical: The information or data flows up and down the organizational structure.

◦ Horizontal: This is the communication between two similar levels of the organization.

◦ Diagonal: This is the communication across the cross-functional levels of employees from various departments of the organization.

Barriers To Effective Communication

◦ The process of communication has multiple barriers. The intended communique will often be disturbed and distorted leading to a condition of misunderstanding and failure of communication. The Barriers to effective communication could be of many types like linguistic, psychological, emotional, physical, and cultural etc. We will see all of these types in detail below.

◦ Linguistic Barriers

◦ The language barrier is one of the main barriers that limit effective communication. Language is the most commonly employed tool of communication. The fact that each major region has its own language is one of the Barriers to effective communication. Sometimes even a thick dialect may render the communication ineffective.

◦ Psychological Barriers

◦ There are various mental and psychological issues that may be barriers to effective communication. Some people have stage fear, speech disorders, phobia, depression etc. All of these conditions are very difficult to manage sometimes and will most certainly limit the ease of communication.

◦ Emotional Barriers

◦ The emotional IQ of a person determines the ease and comfort with which they can communicate. A person who is emotionally mature will be able to communicate effectively. On the other hand, people who let their emotions take over will face certain difficulties.

- Physical Barriers to Communication

- They are the most obvious barriers to effective communication. These barriers are mostly easily removable in principle at least. They include barriers like noise, closed doors, faulty equipment used for communication, closed cabins, etc. Sometimes, in a large office, the physical separation between various employees combined with faulty equipment may result in severe barriers to effective communication.

- Cultural Barriers of Communication

- As the world is getting more and more globalized, any large office may have people from several parts of the world. Different cultures have a different meaning for several basic values of society. Dressing, Religions or lack of them, food, drinks, pets, and the general behaviour will change drastically from one culture to another.

- Organisational Structure Barriers

- As we saw there are many methods of communication at an organizational level. Each of these methods has its own problems and constraints that may become barriers to effective communication. Most of these barriers arise because of misinformation or lack of appropriate transparency available to the employees.
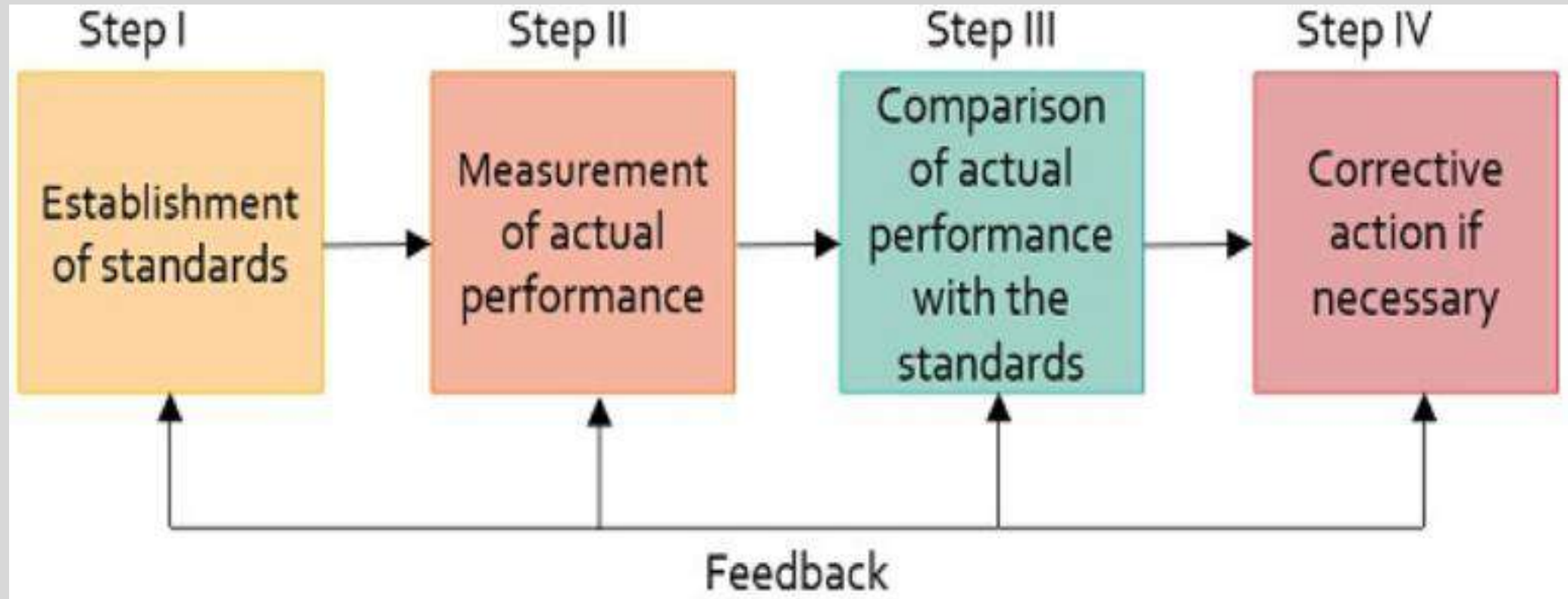
barriers to communication

- Attitude Barriers

- Certain people like to be left alone. They are the introverts or just people who are not very social. Others like to be social or sometimes extra clingy! Both these cases could become a barrier to communication. Some people have attitude issues, like huge ego and inconsiderate behaviours.

- Perception Barriers

- Different people perceive the same things differently. This is a fact which we must consider during the communication process. Knowledge of the perception levels of the audience is crucial to effective communication. All the messages or communique must be easy and clear. There shouldn't be any room for a diversified interpretational set.

- Physiological Barriers

- Certain disorders or diseases or other limitations could also prevent effective communication between the various channels of an organization. The shrillness of voice, dyslexia, etc are some examples of physiological barriers to effective communication. However, these are not crucial because they can easily be compensated and removed.

- Technological Barriers & Socio-religious Barriers

- Other barriers include the technological barriers. The technology is developing fast and as a result, it becomes difficult to keep up with the newest developments. Hence sometimes the technological advance may become a barrier. In addition to this, the cost of technology is sometimes very high.

Controlling

◦ Definition: Control is a primary goal-oriented function of management in an organisation. It is a process of comparing the actual performance with the set standards of the company to ensure that activities are performed according to the plans and if not then taking corrective action.

◦ Every manager needs to monitor and evaluate the activities of his subordinates. It helps in taking corrective actions by the manager in the given timeline to avoid contingency or company's loss.

◦ Controlling is performed at the lower, middle and upper levels of the management.

◦ **Features of Controlling**

◦ An effective control system has the following features:

◦ It helps in achieving organizational goals.

◦ Facilitates optimum utilization of resources.

◦ It evaluates the accuracy of the standard.

◦ It also sets discipline and order.

◦ Motivates the employees and boosts employee morale.

◦ Ensures future planning by revising standards.

◦ Improves overall performance of an organization.

◦ It also minimises errors.

Process of Controlling

Control process involves the following steps as shown in the figure:

| Step I	Step II	Step III	Step IV
Establishment of standards	Measurement of actual performance	Comparison of actual performance with the standards	Corrective action if necessary

Feedback

Process of Controlling

◦ Establishing standards: This means setting up of the target which needs to be achieved to meet organisational goals eventually. Standards indicate the criteria of performance.

◦ Control standards are categorized as quantitative and qualitative standards. Quantitative standards are expressed in terms of money. Qualitative standards, on the other hand, includes intangible items.

◦ Measurement of actual performance: The actual performance of the employee is measured against the target. With the increasing levels of management, the measurement of performance becomes difficult.

◦ Comparison of actual performance with the standard: This compares the degree of difference between the actual performance and the standard.

◦ Taking corrective actions: It is initiated by the manager who corrects any defects in actual performance.

Types of control

◦ There are three types of control viz.,

◦ Feedback Control: This process involves collecting information about a finished task, assessing that information and improvising the same type of tasks in the future.

◦ Concurrent control: It is also called real-time control. It checks any problem and examines it to take action before any loss is incurred. Example: control chart.

◦ Predictive/ feedforward control: This type of control helps to foresee problem ahead of occurrence. Therefore action can be taken before such a circumstance arises.

◦ In an ever-changing and complex environment, controlling forms an integral part of the organization.

Techniques of Managerial Control

◦ Management is an art as well as a science. So management and its functions keep evolving to stay up with the times. Controlling function of management also advances with passing time. So let us learn the traditional and modern techniques of managerial control.There are various techniques of managerial control which can be classified into two broad categories namely–

◦ Traditional techniques

◦ Modern techniques
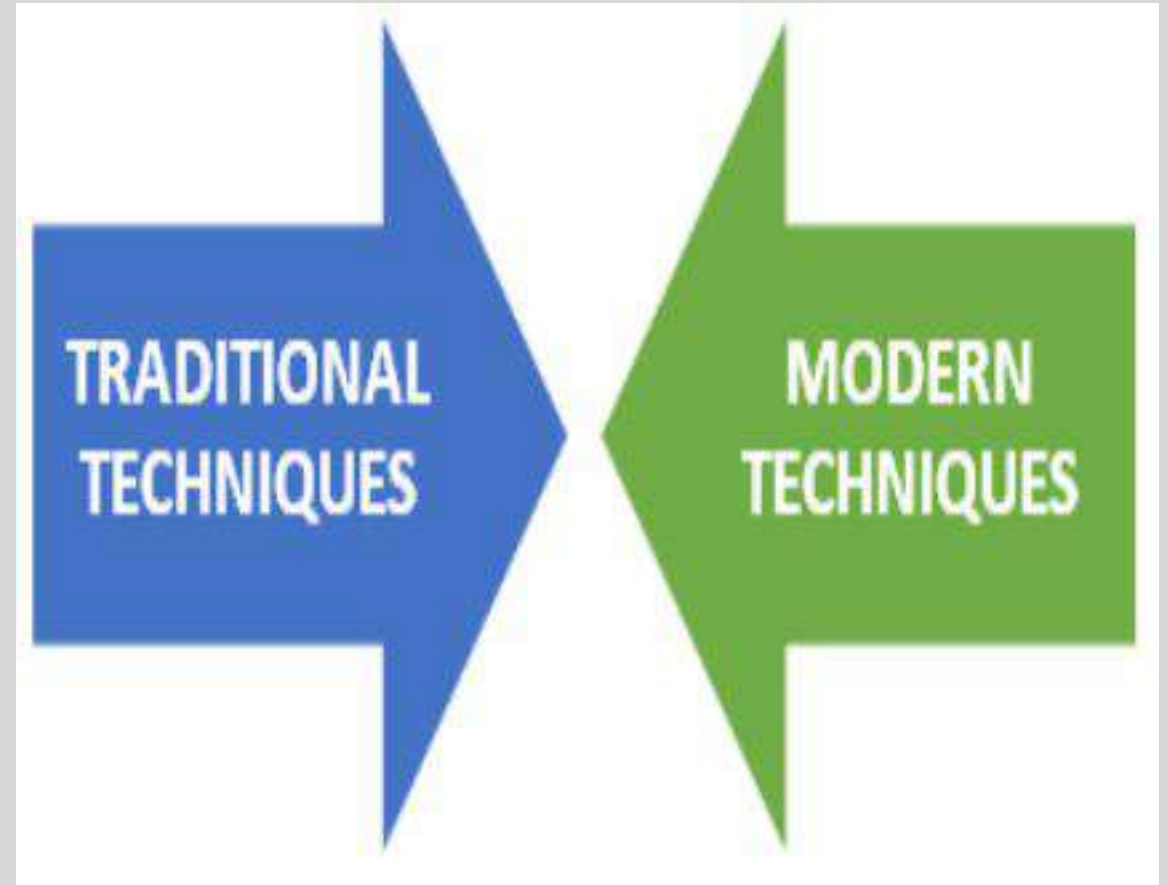
Traditional Techniques of Managerial Control

- Traditional techniques are those which have been used by the companies for a long time now. These include:

- Personal observation

- Statistical reports

- Break-even analysis

- Budgetary control

- 1. Personal Observation

- This is the most traditional method of control. Personal observation is one of those techniques which enables the manager to collect the information as first-hand information.

- It also creates a phenomenon of psychological pressure on the employees to perform in such a manner so as to achieve well their objectives as they are aware that they are being observed personally on their job. However, it is a very time-consuming exercise & cannot effectively be used for all kinds of jobs.

- Statistical Reports

- Statistical reports can be defined as an overall analysis of reports and data which is used in the form of averages, percentage, ratios, correlation, etc., present useful information to the managers regarding the performance of the organization in various areas.

- This type of useful information when presented in the various forms like charts, graphs, tables, etc., enables the managers to read them more easily & allow a comparison to be made with performance in previous periods & also with the benchmarks.

- 3. Break-even Analysis

- Breakeven analysis is a technique used by managers to study the relationship between costs, volume & profits. It determines the overall picture of probable profit & losses at different levels of activity while analyzing the overall position.

- The sales volume at which there is no profit, no loss is known as the breakeven point. There is no profit or no loss. Breakeven point can be calculated with the help of the following formula:

- Breakeven point = Fixed Costs/Selling price per unit – variable costs per unit

◦ Budgetary Control

◦ Budgetary control can be defined as such technique of managerial control in which all operations which are necessary to be performed are executed in such a manner so as to perform and plan in advance in the form of budgets & actual results are compared with budgetary standards.

◦ Therefore, the budget can be defined as a quantitative statement prepared for a definite future period of time for the purpose of obtaining a given objective. It is also a statement which reflects the policy of that particular period. The common types of budgets used by an organization.

◦ Some of the types of budgets prepared by an organisation are as follows,

1. Sales budget: A statement of what an organization expects to sell in terms of quantity as well as value

2. Production budget: A statement of what an organization plans to produce in the budgeted period

3. Material budget: A statement of estimated quantity & cost of materials required for production

4. Cash budget: Anticipated cash inflows & outflows for the budgeted period

5. Capital budget: Estimated spending on major long-term assets like a new factory or major equipment

6. Research & development budget: Estimated spending for the development or refinement of products & processes

Modern Techniques of Managerial Control

◦ Modern techniques of controlling are those which are of recent origin & are comparatively new in management literature. These techniques provide a refreshingly new thinking on the ways in which various aspects of an organization can be controlled. These include:

1. Return on investment

2. Ratio analysis

3. Responsibility accounting

4. Management audit

5. PERT & CPM

◦   Return on Investment

◦ Return on investment (ROI) can be defined as one of the important and useful techniques. It provides the basics and guides for measuring whether or not invested capital has been used effectively for generating a reasonable amount of return. ROI can be used to measure the overall performance of an organization or of its individual departments or divisions. It can be calculated as under–

◦ Net income before or after tax may be used for making comparisons. Total investment includes both working as well as fixed capital invested in the business.

◦ 2.Ratio Analysis

◦ The most commonly used ratios used by organizations can be classified into the following categories:

◦ Liquidity ratios

◦ Solvency ratios

◦ Profitability ratios

◦ Turnover ratios

◦ 3. Responsibility Accounting

◦ Responsibility accounting can be defined as a system of accounting in which overall involvement of different sections, divisions & departments of an organization are set up as 'Responsibility centers'. The head of the center is responsible for achieving the target set for his center. Responsibility centers may be of the following types:

◦ Cost center

◦ Revenue center

◦ Profit center

◦ Investment center

- 4. Management Audit

- Management audit refers to a systematic appraisal of the overall performance of the management of an organization. The purpose is to review the efficiency &n effectiveness of management & to improve its performance in future periods.

- 5. PERT & CPM

- PERT (programmed evaluation & review technique) & CPM (critical path method) are important network techniques useful in planning & controlling. These techniques, therefore, help in performing various functions of management like planning; scheduling & implementing time-bound projects involving the performance of a variety of complex, diverse & interrelated activities.

Characteristics of Control

◦ The main characteristics of control are given below:

◦ 1. Function of Management: Control is one of the functions of management. Controlling is performed by managers at all levels. Managers are responsible for the work assigned to them and they will exercise control over the subordinates for ensuring the attainment of goals.

◦ 2. Continuous Function: Control is measurement and correction of performance of activities of subordinates, in order to ensure that enterprise's objectives and plans devised to attain them, are being properly accomplished. So control function should be exercised regularly.

◦ 3. Future Oriented: Control involves measuring the actual performance and on the basis of such measurement, identifying the corrective measures for a future period. Thus, it is future oriented.

◦ 4. Action Oriented: Control is action and result oriented. Its main aim is to take corrective action whenever performance is not as per the standards. If such corrective action is not taken immediately, the very purpose of control will be defeated.

◦ 5. Measuring the Performance: The control function involves measuring the past performance against pre-established standards, analyzing and correcting deviations as necessary. Actions are taken for correction of deviations through feed back mechanism, for adjusting plans and programmes, for modifying work loads and for re-estimating the required resources.

◦ 6. Planning and Control: Planning and control are so closely related to each other that they are often regarded as integral functions. Planning function provides the philosophy and benchmarks within which managerial activity is regulated. The function of control concerns itself with the mission of ensuring that what is planned is in fact achieved effectively and efficiently.

human reaction to control system

○ Management control systems are formal procedures used by managers to promote employee behavior aligned with organisational objectives.

○ Employees may react to these control systems by either becoming more motivated or perceiving them as a threat.

○ The management control is to determine the extent to which business ownership (public or private), professional group (administrative employee), type of contract (fixed or temporary), gender and tenure can condition employee reaction to management control systems.

○ the effect of management control systems on employees differs according to organisation ownership, professional group and type of contract. However, no significant evidence was found concerning gender or tenure.