



PEGASO

Università Telematica

**“DIMENSIONS OF BUSINESS
COMMUNICATION”**

PROF. LORENZO FIORITO

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1 Dimensions of Business Communication

In business communication there are five dimensions:

1. Communication within the organization or between different organizations and/or to external audiences: *internal communication vs. external communication.*
2. Serious and structured, or casual and unprepared: *formal communication vs. informal communication.*
3. With feedback or not: *one-way communication vs. two-way communication.*
4. Communication using words or not: *verbal communication vs. nonverbal communication.*
5. Within a culture or between different cultures: *inner-cultural vs. inter-cultural communication.*

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1.1 Internal Communication

Communication within an organization is called “**Internal Communication**”.

It may be informal or may be a formal and concerns the exchange of information and ideas within an organization.

Effective internal communications is a key factor that contributes to successful companies. Internal communication has the objective of informing employees of developments that are influencing their organization, particularly the projects that they are collectively involved with.

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It is a vital ingredient for successful employee participation and facilitates the development of affective work commitment. Both these factors were viewed as being essential for increasing individual and organizational performance.

Under Internal Business Communication, we can distinguish:

Vertical Communication,

Horizontal (or Lateral) Communication

Vertical Communication can be:

- Upward Communication; and
- Downward Communication

1.2 Vertical Upward Communication

Large organizations have different hierarchical levels. Banks, finance companies, insurance businesses, railways and such other people-oriented organizations have typically a structure at 3 or four levels. To be complete and effective, The process of communication should encompass all these levels. Upward communication is one which moves upward, i.e., from bottom to top levels in the hierarchy.

Any communication that moves from employees to supervisors, supervisors to managers, managers to executives, regional manager to general manager and so on, may be categorized as upward communication.

Employee suggestions, market reports, performance reports, feedback on new products and requests for facilities or instructions are all examples of upward communication in the organizational context. Another almost inevitable internal communications 'channel' in most

organisations is “*the rumour mill*” that can be good for understanding the hot topics, concerns and general mood of the workforce.

1.3 Vertical Downward Communication

Downward communication moves from top to the bottom, i.e. from the management to subordinates. It travels through senior executives to junior level functionaries, from the controlling office to the branch, from the head of the division to the head of the unit. Corporate goals, business priorities, motivational letters, work-related instructions, newsletters, letters from the CEO/General Manager’s desk are all typical examples of downward communication.

There may be some communication, which would move both upward and downward. A typical example of this is performance budgeting, which is a two-way process. It is a top to bottom as well as bottom-to-top exercise

Downward Communication is used by administrative office managers to

1. Keep their subordinates informed
2. Give them job-related instructions.
3. Provide subordinates with feedback regarding their job performance.

It is of one-way in nature, often carries instructions, decisions, suggestions, announcements, adjustment, coordination, etc.; moreover, it is authoritative and influential. Vertical communication within the organization goes from senior manager to line managers; from line managers to staff.

Downward Communication goals:

- Transmit vital information
- Give instructions

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- Encourage 2-way discussion
- Announce decisions
- Provide motivation
- Increase efficiency
- Obtain feedback

Media and means used in downward communication

- Bulletin boards
- Pamphlets
- (Video) Conferences
- Interviews
- Grapevine
- Public Address
- Speech
- Annual reports
- Posters
- Memo
- Report
- Newsletter
- Telephone talk
- Presentation
- Manuals
- Policy statements



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The choice of the medium is based on:

- the manager's preference
- the actual situation
- the consideration over the efficiency.

1.4 Vertical Upward Communication

Upward communication is the flow of information from subordinates to superiors, or from employees to management.

Used to convey to their supervisors their feelings, ideas, aspirations, and attitudes

Upward communication goes from the a lower level to a higher level, from the subordinate one to the managerial one; it may come at the request of the manager, or from the subordinate's own initiatives (if the leadership style is democratic). It is one-way in nature, and is reliable and valuable only when it is of the subordinate's own will, fosters true and desired messages: cultivates a sense of mutual trust; rewards productive opinions and suggestions.

Upward Communication deals about:

- Information about one's job
- Work-related problems
- Organizational policies and procedures
- Suggestions for improving existing practices

Upward Communication is a means for the staff to:

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- Exchange information
- Offer ideas
- Express enthusiasm
- Achieve job satisfaction
- Provide feedback Examples of upward communication

Variables for Successful Upward Communication

- The nature of the relationship between the subordinate and the manager.
- The quality of the subordinate's presentation of the message.
- The extent to which the content of the message is positive or negative.
- The timeliness of the message.
- The extent to which the substance of the message is useful.

1.5 Horizontal (or Lateral) Communication

Lateral communication generally takes place in an organization and is neither upward nor downward. It proceeds in a horizontal manner and takes place among equals and at peer level. It may also be described as peer level communication.

Any communication that takes place, orally or in writing, from one branch head to the other, from one division head to the other, from one group head to the other, may be described as lateral communication. An important point worth noting in any such lateral communication is that there is not much difference in terms of the hierarchical levels or positions of the sender and the receiver.

Horizontal communication can occur:

- Between offices (in this case it is formal)

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- Between employees (in this case it is informal)
- Within an office or a shop (can be either formal or informal)

Communication among employees at the same level is crucial for the accomplishment of work

Horizontal Communication is essential for:

- Solving problems
- Accomplishing tasks
- Improving teamwork
- Building goodwill
- Boosting efficiency

Horizontal communication functions at the same level, is close and speedy; it is two-way in nature.

It is informal in form, but serious in content and sometimes is neglected by the managerial level

Some functions of Horizontal Communication are:

- It helps employees fulfill their socialization needs.
- It helps employees and departments coordinate their activities with one another.
- It helps others better understand individual and departmental responsibilities.
- It helps individuals solve their own problems before others have to become involved.

1.6 The Grapevine

The grapevine is an informal, unofficial and personal communication channel or system that takes place within the organization as a result of rumour and gossip. It is a complex web of oral

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information flow linking all the members of the organization. It is often a fast and surprisingly accurate communication process. Grapevine has three main characteristics:

1. It is not controlled by management
2. It is perceived by the most employees as being more believable and reliable.
3. It is largely used to serve the self-interest of people within it.

Figure. Methods of internal communication

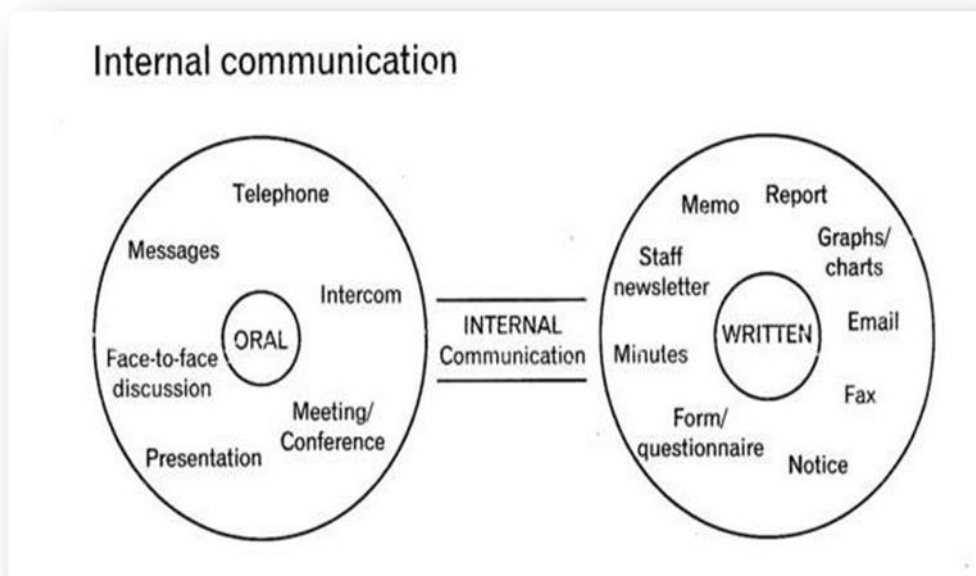
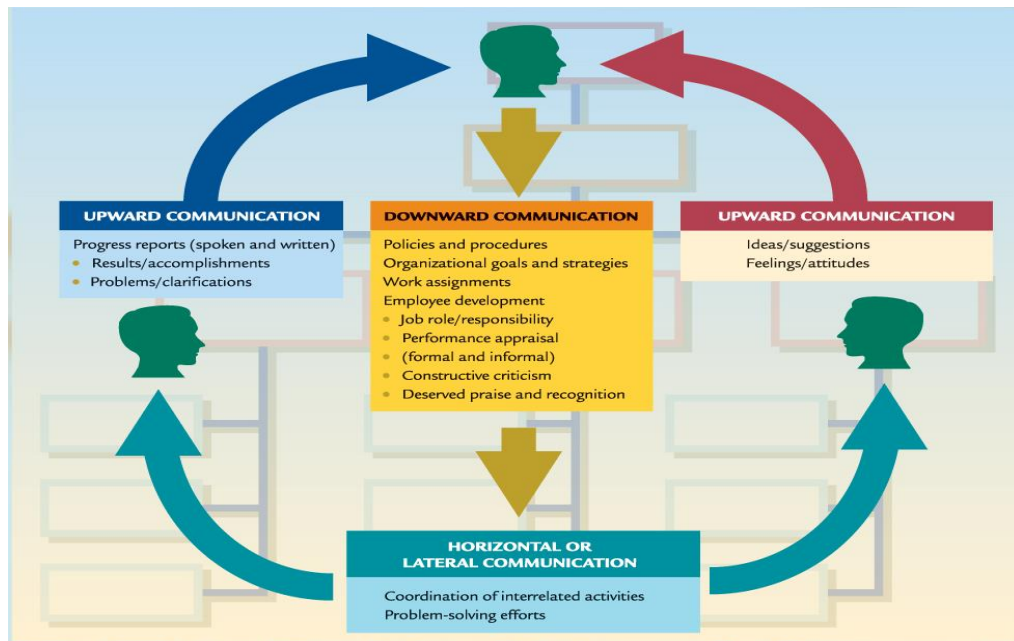


Figure. Flow of Information Within an Organization

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2 External Communication-Public relations

External Communication is the information the company distributes to the public outside, either about the organization itself or their products and services.

A well-thought out communications plan not only defines the target audience, but also focuses on how to reach it effectively. Any communicative effort specifically for people and organizations operating outside of the business is External communication.

2.1 The focus of External Communication-PR

The focus of External Communication should be on spreading news and information about the company to the public, customers, and company stakeholders.

Common examples of external business communications include direct mailings, financial records, press releases and newsletters.

External Communication can take place between the organization and both the outside persons and institutions concerned; possible targets are:

public: media communication, advertising

individuals: with customers and shareholders

other organizations: with government departments, banks, suppliers, distributors, investors, competitors, Chambers of Commerce.

2.2 Public Relations

Public relations (PR) manage the diffusion of information from an organization to the public. It is different from advertising as a form of marketing communications.

Although many companies focus on sales as a measure of business success, public perception is just as important for the organization. Communications are one way to shape and define a company's image to the community, clients, institutions and potential investors. External communications such as newsletters, media news and press releases let the public know about the company workplace, about possible charitable and ecological efforts, and other activities to build up the right image, all of which serve to strengthen the public relations of a company.

2.3 Media

Media are at the top on the list for external communications for most businesses. They are targeted through a media relations or public relations plan. A company identifies media that cover its business or industry, then develops external communication strategies on how best to reach them. This includes press releases, press conferences, open houses and product demonstrations.

2.4 Existing Customers

To continue the relationship with its current customers, that have already demonstrated they are willing to buy the company's products or services, external communications should include email communications about new or complementary products, or product updates.

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Also, one can ask for their permission to use them to provide testimonials about their experiences, which the company can post on its website and social media.

2.5 Prospective Customers

Prospective customers might be considering a competitor's product. The company should communicate features and benefits of its products. Industry trade shows allow to use a variety of communications mechanisms, such as videos, demonstrations and print collateral; also, it can consider advertising in trade publications, on radio, on television or out-of-home such as public transportation or billboards.

2.6 Outside Organizations

External communications directed at outside organizations can be important for several reasons. First, it puts a company in good standing among the general business community. Second, there might be partnership opportunities that can stretch the company's communication efforts and resources. Third, it can further some other communication goals by increasing awareness among media and customers.

For example, a company can partner with a charitable organization so a percentage of its sales is donated to charity over a specific period. This partnership can help its visibility in the community and get media attention.

2.7 Final considerations

While internal communication is the process of exchanging information among the people of different level or internal participants within the organization, external communication is an exchange of information and messages between an organization and other organizations, groups or individuals outside its formal structure. The important differences between internal and external communication are as follows:

Basis	Internal communication	External communication
1.Purpose	Main purpose is to exchange information of various departments and division of the organization.	It is done mainly for maintaining relationship with external parties.
2.Types	Two types: Vertical and Horizontal communication.	No such classification.
3.Frequency	It occurs frequently in performing organizational activities.	It occurs less frequently than internal communication.
4. Distance	No significant distance between sender and receiver.	Significant distance exists between sender and receiver.
5. Coverage	Its coverage is limited within the organization.	Its coverage is broad with external bodies.

2.8 Media or means of external communication-PR

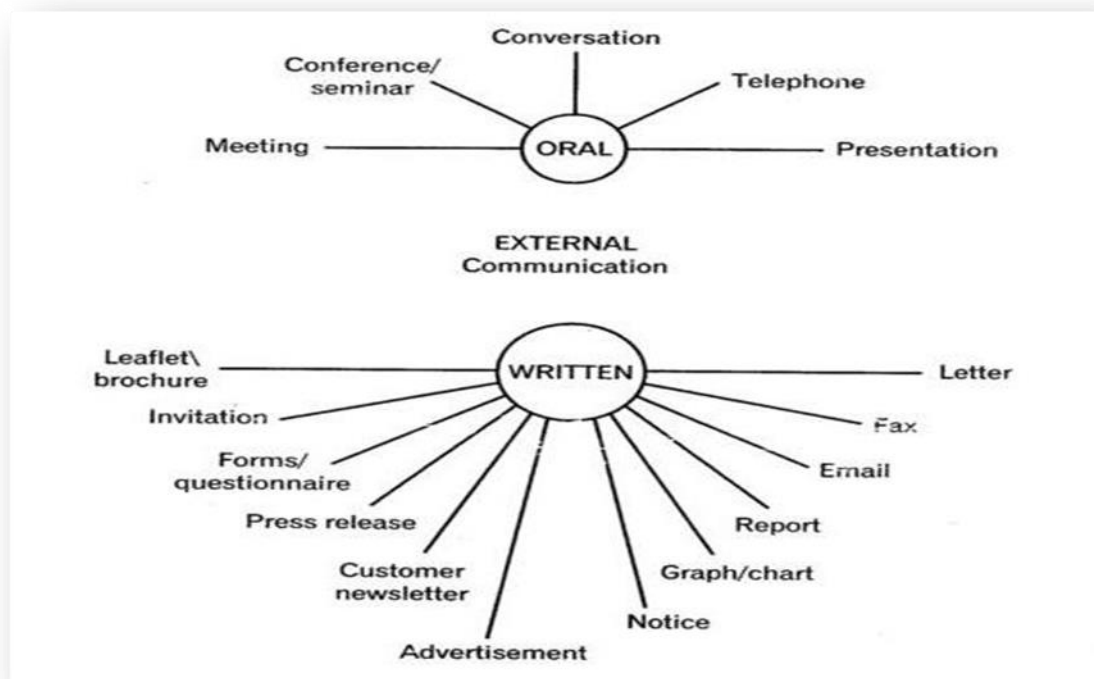
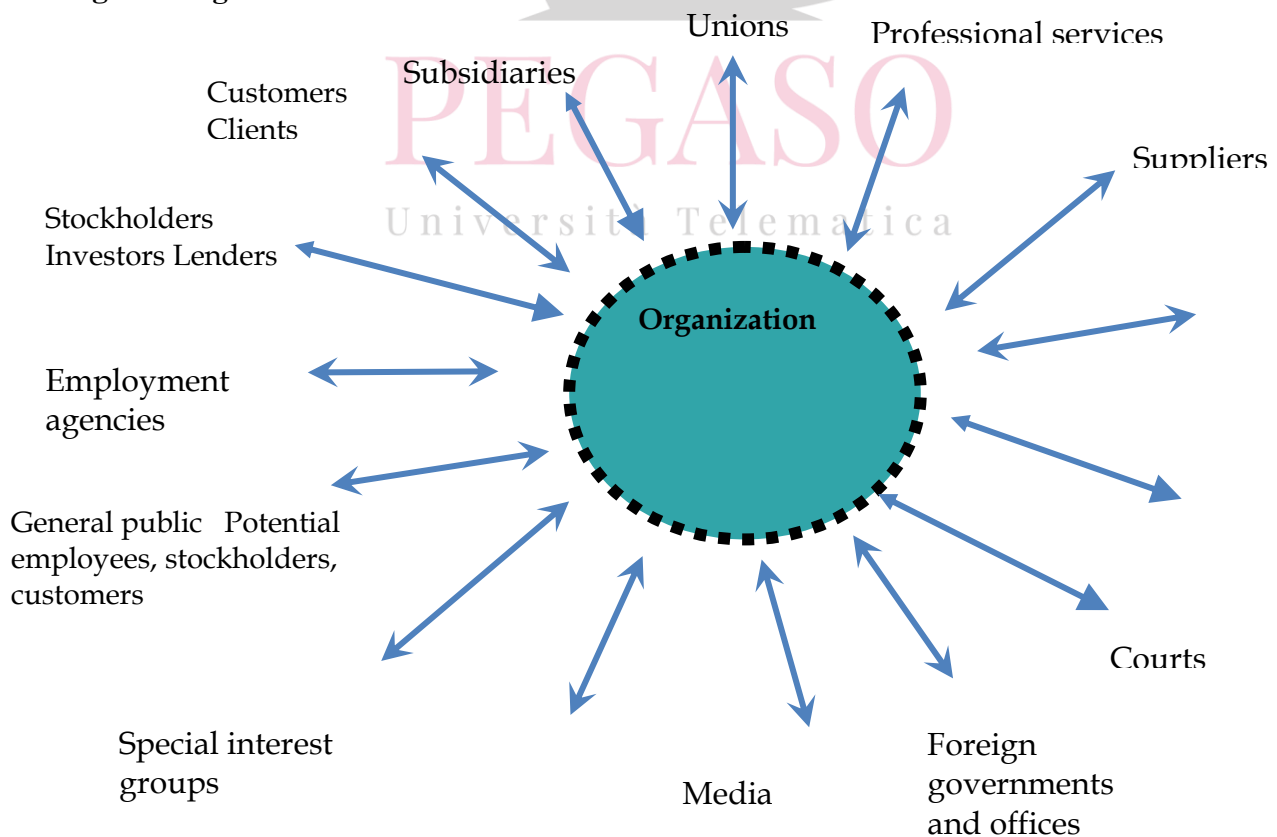
There are various means or channels or external communication. These are as follows:

1. **Telephone:** The most common used means of external communication is telephone.

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2. **Postal and telegraphic service:** They are the old means of business communication.
3. **Local messenger, couriers:** As it is expensive, its use is limited.
4. **Face to face conversation:** Sometimes this media is used to exchange information with other organizations. It is an important means as because both the parties talk face to face.
5. **Mass communication:** External communication can be performed through mass communication media (television radio, newspapers).
6. **Press conferences.**
7. **Press releases.**
8. **Internet, email:** The fastest and cheapest media for external communication.



Figure: External communication: methods**Figure: Organization's External Audiences**

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