



NATIONAL OPEN UNIVERSITY OF NIGERIA

SCHOOL OF EDUCATION

COURSE CODE: BED 114

COURSE TITLE: OFFICE PRACTICE

Course Code:	BED 114
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COURSE GUIDE

TABLE OF CONTENT

Introduction

Course Aims

Course Objectives

Working Through the course

Course Materials

Study Units

Exercises in the Unit

References and Texts for Further Reading

Tutor Marked Assignments (TMA's)

End of course Examination

Summary

INTRODUCTION

You are welcome to the study of Office Practice (BED 114), as one of the major subjects in your study programme. As aptly titled, the subject focuses on issues concerning the 'business office' of organizations that border on standard behavioural patterns required of the lower-level workplace employee. These behavioural patterns are embedded in the procedural practices required in the discharge of assigned clerical functions. Also focused are the aims and objectives, theoretical principles around which the subject is built, its evaluation and instructional materials used. Indeed, the subject is designed to equip skill acquisition competences as well as increase students' knowledge of Office Practice.

BED 114 is a two-credit units course that addresses basic concepts and principles for the acquisition of core competences in key areas of planning, implementation and evaluation in office management vis a vis clerical responsibilities. Wherever necessary, relevant examples in form of illustrations and illustrative diagrams are given for better understanding of the subject of discourse.

The course is structured in form of modules and units with each component providing comprehensive information to a better appreciation of the nature and functionality of the business office towards goal drive. Also, cognizance is taken of the cognitive system, psychomotor process and affective areas in the grouping of the modules. Overall, the course is informative and learner oriented and meant to achieve an excitable appeal for knowledge acquisition.

Summarily, this course guide provides the learner with relevant information about the course itemized hereafter:

- Course aims
- Course objectives
- Course requirements
- Course materials
- Study modules and units
- Reference materials for further reading
- Course assignments
- Course assessments
- Final Examination
- Overview of course contents.

Course Aims

The entire course is aimed at:

1. Equipping the learner with basic concepts and principles of Office Practice.
2. Educating and learning standard behavioural patterns required of the office employee.
3. Learning the operational procedures and techniques required to enhance effective efficient performance of office activities.

Course Objectives

To realize the aims outlined above specific objectives were achieved under the various units. These constitute a body of projected information or knowledge the student is expected to have learnt at the end of each study unit. Thus, overall, the learner is expected to be able to:

1. Explain the concept of office practice as an academic subject matter.
2. Appreciate an internalize and discuss the distinctive principal functions of the workplace office.
3. Discuss the features of the office organizational structure.
4. Handle the classification, storage, treatment, and flow records.
5. Understand the structural format and design simple office forms.
6. Enlist and utilize the many services provided by the Port and Telecommunication organizations.
7. Enlist the application of office machines for the discharge of activities.
8. Explore the technicalities and understand the essentials of organizational communication.
9. Appreciate the intricacies of leadership types, styles and behaviours.
10. Appreciate the relationship/behavioural pattern of employees and employers.
11. Discuss the technicalities and enlist the usage of trading or commercial documents.
12. Understand and discuss the various methods of payment in commercial transactions.

Working through the Course

This course is divided into four modules. Modules one and two have four (4) units while modules three and four have three (3) units each. In all, there are units which the student has to study.

Module 1 deals with the concept, organizational layout and structure of the office. The mail registry, as repositioning of office records, is also addressed.

Module 2 addresses the subject matter of filing and indexing as well as records management and the design and control of various forms used in the office.

Module 3 addresses three major distinctive subject matters inclusive of post and telecommunication services, office equipment and machines and office communication processes.

Module 4

Finally, some assignments to reinforce effective understanding are given at the end of each study unit with a list of recommended references for further reading. A thorough and diligent approach through the assignments will surely enhance understanding and lead to increased acquisition of knowledge of the student. By the same token, the students will also have been better prepared and equipped sufficiently to write the final course examination, which comes up at the end of the course.

Course Materials

Resource materials available for this course include:

1. Course Guide
2. Course study Units
3. List of reading materials
4. Assignments
5. Any other support materials.

Study Units

Enlisted below are the modules and units contained in this course:

Module 1 General Introduction to Office Practice

- Unit 1 The concept of Office Practice
- Unit 2 Office Planning and Layout
- Unit 3 The Organization structure of the Office
- Unit 4 The mail Registry.

Module 2 Organization and Storage of Office Records

- Unit 1 Filing system
- Unit 2 Filing and Indexing
- Unit 3 Records Management
- Unit 4 Forms Design and Control

Module 3 Postal/Telecom Services and Office Machinery/Communication

- Unit 1 Post and Telecommunication Services
- Unit 2 Office Equipment/Machines
- Unit 3 Office Communication.

Module 4 Leadership-Work Relationships, Commercial Transactions/Documents/Payment methods And Wages And Salary Administration.

- Unit 1 Leaderships and Human Relations
- Unit 2 Business Documents
- Unit 3 Methods of Payment in Business Transactions.
- Unit 4 Wages and Salary Administration

Exercise in the Units

To assess the students level of comprehension of the information in each unit, students could be assessed in the conduct of some tests at the end of each unit. For this purpose, each unit contains some questions with accompanying answers for self-assessment. You are strongly advised to attempt the questions before turning to look at the answers.

References and Texts for further Reading

To encourage further learning, a list of resource materials has been recommended at the end of each unit. These materials contain additional information that would add value to the knowledge you have already acquired. For instance, additional illustrations, pictogram's and other relevant information may be garnered from such materials that would help to enhance your understanding as well as remember and apply what you have learnt.

Tutor Marked Assignments

The assignments given at the end of each unit would make up your continuous assessment. Three of these assignments, which you must attempt, would be given to you. These would form a total of 30% of the total score for the courses. Your course facilitator will give the assignments and return to you after reviewing. You are expected to submit at least three assignments before being allowed to take the final examination.

End Of Course Examination

The final examination constitutes 70% of the 3 scores for the course. This would be the final assessment of the course. Due notice would be given to enable you prepare for your examination.

BED 114 OFFICE PRACTICE

MODULE ONE THE OFFICE CONCEPT, PLANNING/ LAYOUT, STRUCTURE AND REGISTRY FUNCTIONS

Unit 1	The Concept of Office Practice
Unit 2	Office Planning and Layout
Unit 3	The Organization Structure of the Office
Unit 4	The Mail Registry

UNIT 1 THE CONCEPT OF OFFICE PRACTICE

CONTENTS

1.0	Introduction
2.0	Objectives
3.0	Main Contents
3.1	What Office Practice is about
3.2	The Functions of the Office
3.3	The Importance of the Office
4.0	Conclusion
5.0	Summary
6.0	Tutor Marked Assignments
7.0	References

1.0 INTRODUCTION

Welcome to the study of Office Practice. This course is very important in the life of the office worker. It introduces the lower-rung office worker to the minute rudimentary practices of the business office. Acquisition of general knowledge on the operational techniques and standards of the business office is quite basic to the competence and effectiveness of the office worker. Thus, the subject equips the potential worker with the necessary mental and social discipline expected to be displayed in the performance of delegated or apportioned office activities.

This course contains three modules with each comprising a minimum number of three units. Each unit deals with different and significant aspects of the subject in order to give a comprehensive coverage towards a thorough understanding of the office practice concept.

2.0 OBJECTIVES

On completion of this unit, the student should be able to:

1. Define the meaning of the office practice concept.
2. Appreciate and distinguish the principal functions of the business office.
3. Appreciate and internalize the usefulness and essence of the office to the business organization.

3.0 MAIN CONTENTS

3.1 The Office Practice Concept

The phrase, 'office practice', comprises two major concepts. Understanding the individual meaning of these concepts is a necessary prelude to the understanding of the subject itself. An office connotes an organized place where clerical and administrative activities of the business organization are carried out. The place may be a single room or building or a number of buildings in a premises. Succinctly, an office is a place for transacting the business activities of an organization. *Denyer & Shaw 1982*)

The word 'practice', reflects a behavioural pattern or activity to which one is accustomed over time through a repeated performance. Thus, practice or practicing is a systematic learning process intended to acquire and master a knowhow-skill or proficiency. Proficiency is a behaviour that portrays ability and capability to perform an activity much more accurately. Ability reflects knowledge acquired about a thing. Capability is an expression of the acquired knowledge in concrete behavioural terms. Therefore, what is being practiced in the office are clerical and administrative activities of the business in line with approved processes based on rules, principles and acceptable standards.

From the above, one can safely assume that office practice is the standard performance of the organised activities of a business in an organized (place) environment. Standardized performance of activities means application of uniform methods of operation by observing due process in employment/deployment, documentary procurement/preservation, accounting procedures, resources management as well as communication processes which pervade or constitute the business activities.

3.2 Functions of the Office

Onasanya (1990) described the office as an integral part of a business organization. Fasanmi stressed that information is one of the greatest and most valuable resource of business outfits. When the two opinions are juxtaposed, conclusion could be drawn to the effect that the office is the custodian and indeed the information centre hence its basic functions spin around information processing. If so, it is necessary for us to highlight the basic functions of the office in general terms. The office performs five principal functions as enlisted below as sourced from the above named authors:

- **Receiving information**

The office receives information from two main sources – internal and external. Internal information is generated from the organization's daily activities or operations. External sources include letters, telephone calls, telexes, telegrams, orders, sales reports, debit/credit notes, government policies, legislation acts and a host of other sources.

- **Arranging Information**

Often information reaches the office not exactly in the form it is desired or useful. This calls for sorting, its arrangement and classification to give it meaning to enhance usefulness. Collation of date, calculation or compilation-data processing, arrangement /rearrangement, - facts extraction, accounts statements and so on, come under this topic.

- **Storing Information**

Information already sorted and analysed must be recorded and stored for safe keeping and retrieved for further reference, either to meet legal requirement or aiding future decision-making.

- **Giving Information**

The office supplies or disseminates information to both external and internal sources. Public organs or agencies and other organisations are supplied with information on request.

- **Safeguard Assets**

It is a very important role of the office to safeguard the organizations tangible and intangible assets. Human and physical resources of an organization constitute its tangible assets, while information is its basic intangible asset. The interest of the organization centres around these assets and it is the role of the office to protect them jealously.

3.3 The Importance of the Office

You will recall that the office is described as an integral part of the business organization. This means that it is fully a part of the organization. For the fact that it is so described, it means that it is absolutely important to the organization for the following reasons:

- (a) It is a centre for generation, procurement and dissemination of information.
- (b) It is a vehicle or channel by which the organization communicates with the outside world.
- (c) It is a centre for the coordination of the organization's operations as well its control value.
- (d) It is a repository or store-house for the organization's documents or records.
- (e) It ensured organizational direction, growth and development.

Self Assessment Exercise

- 1. What is the meaning of an office as a concept?
- 2. Explain the meaning of office practice as can be deduced from your understanding of the office practice concept.
- 3. What does office practice equip the worker with in a business office?
- 4. Pin-point the difference between the terms "ability" and "capability" in human behaviour.
- 5. Enumerate the major functions performed by the office worker.

Answers to Self Assessment Exercise

- 1. An office is an organized place [a room or a whole building] where organized activities of clerical and administrative functions are carried out.
- 2. Office practice is the standard performance of the organized activities of a business in an organized environment or place.
- 3. Office practice equips the office worker with the skill and proficiency in terms of mental and social discipline expected of him in the performance of assigned duties.

4. The term ability refers to the knowledge and know-how learned and acquired as a skill about doing a thing. On the other hand, capability refers to the way and manner in which the skill [ability] is expressed in the doing process.
5. The major functions performed by the business office are:
 - i. receiving/generating information,
 - ii. arranging information in the form required,
 - iii. storing information for safety,
 - iv. retrieving information for dissemination,
 - v. safeguarding organizational assets.

4.0 CONCLUSION

Contemporary writers on this subject tend to prefer the concept of office management as substitute for office practice. Either of these manifests both human and material resource combination. Management of these resources means effective allocation and utilization in the best way possible (efficiently). In other words, office practice inculcates efficient and effective usage of the overall resources of the business organization; hence office practice and office management are coterminous concepts which are mutually inclusive. However the latter has a wider coverage with distinctive subject coverage.

5.0 SUMMARY

It is observed that the subject matter of office practice or office management as a combined concepts deals with the manner in which the clerical/administrative activities of the business organization are being performed in an organized setting. This organized setting comprises the environment and the methodical execution of behavioural activities in accordance with preferential cum standardized regulations and principles. The goal achievable in the study of office practice is the realization of efficient and effective allocation and utilization of the human and material resources of an organization.

6.0 TUTOR MARKED ASSIGNMENT

Make a write up on what constitutes the concept of office practice and state how it can bring about the successful management of the business organization's resources.

7.0 REFERENCES

Fasanmi, E. A., (1999), *Office Practice*, Yaba, Lagos, Touchstone Books.

Ihekwoaba, M. E., (2005), *Office Practice and Management*, Shomolu, Lagos, Murkigamu & Brothers Enterprises.

Onasanya, S.A. (1990), *The Effective Secretary*, Hongkong , Longman Group Ltd..

Denyer, J, C. & Shaw, Josephine (1982), *Office Management*, (5th Ed.). London. The English Language Book Society and MacDonald & Evans ELBS.

UNIT 2 OFFICE PLANNING AND LAYOUT

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Contents
 - 3.1 Office Planning
 - 3.1.1 Principles of Office Planning
 - 3.2 Office Layout
 - 3.2.1 Principles of Office Layout
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assignments
- 7.0 References

1.0 INTRODUCTION

Every rational business activity presupposes a conscious effort at having an indepth mental view of the subject matter in order to allow for good planning prior to actions geared toward accomplishment of desired goals. Office planning and layout are twin actions aimed at increasing general efficiency among the workforce so as to affect maximum productivity of the business organization.

2.0 OBJECTIVES

At the end of this unit, it is subsumed that students will be able to appreciate the role of office planning and layout in the effectiveness and productivity of an organization.

3.0 MAIN BODY

3.1 Office Planning

Planning is a mental exercise. It is meant to project a futuristic outlook of a thing (in this case, a business) constrained or helped by circumstances present within the environment. Office planning is a deliberate or conscious attempt at siting or locating an office at a particular place, considering its space, equipment and machinery to be used. Planning, thus, actually precedes the location of an office. It is intended to take care of the present and future convenience of the physical apparatus. Office planning is done in line with the objectives, available human/material resources and their efficient utilization to derive maximum gains.

3.1.1 Principles of Office Planning

The following factors or principles usually influence the planning of an office.

- (a) *Government Regulations* – involving site, floor space, ventilation, health requirement and working hours.
- (b) *Accessibility* - to employees, clients, generally and road access.
- (c) *Cost Consideration* – preference between permanent and hired office

- (d) *Space Consideration* – office floor space and premises' space for packing and expansion.
- (e) *Infrastructure Consideration* – Closeness to essential services like banks, electricity, post office, water, hospitals, rail/road/air transaction.
- (f) *Security Apparatus* – provision of internal and external security.
- (g) *Labour Consideration* – availability of capable manpower.

3.2 Office Layout

Odiagbe (1994) defined office layout as “the conscious planning and arrangement of all available physical equipment within a given office space in order to achieve optimum space utilization, comfort, free flow of work and aesthetic environment appeal’. In other words, office layout can be said to be the orderly arrangement of office furniture and equipment to obtain a free flow of human and material traffic to ensure a comfortable and conducive working environment.

The reason and essence of office layout could be seen from the following:

- (a) To provide physical and healthy comfort for workers. Besides, it would reduce incidences of accident and damaging of office equipment.
- (b) It makes office supervision easier and fosters better interaction relationships among workers.
- (c) It allows for smooth and cordial inter communication among office personnel.
- (d) It allows for proper space utilization and may lead to efficient office operations.
- (e) It ensures free flow of work devoid of delay, interruptions, frustrations and irritation which may result in negative attitude to work.
- (f) It encourages inter-departmental interaction and workflow.
- (g) It enhances staff personality status.

3.2.1 Principles of Office Layout

Principles are indeed guidelines that may influence the office layout process.

- (a) Office furniture should be arranged in rows and columns for free access movement.
- (b) Consideration should be given to the total labour workforce.
- (c) Equipment meant for general usage should be centrally located.
- (d) Departments performing related tasks or activities should be located closely to reduce travel distance.
- (e) Heavy equipment should be restricted to ground or lower floors of storey buildings.
- (f) Service-provider departments should be located nearer to the general entrance of the premises.
- (g) Staff social welfare facilities should be located away from other offices.

3.2.2 Types of Office Layout

There are three main types of office layout as explained below:

1. **Group Layout:** As the name implies, this involves the grouping together and location of workers doing the same or similar jobs and such locations named as e.g. computer centre, typing pool, account pool, registry and so on.

2. **Process Layout:** This involves the location of machines and equipment in sequence or systematic order to conform with stage by stage operations, in order to have an uninterrupted workflow. This process-format pattern is mostly found in manufacturing outfits whereby a switch over to a second stage is automatically effected at the point of completion of a process at the first stage.
3. **Electric Layout:** This type of layout reflects a combination of the group and process layouts. For example, where a pool of typists/secretaries exists; it may be necessary to attach individual typists or secretaries to some senior categories of managers in an organization.

Self Assessment Exercise

1. How would you describe the nature of planning as regards the business office?
2. How did Dr Odiagbe define office layout?
3. Some principles are relied upon in the layout of the office. Briefly explain what you understand by the term 'principles'.
4. Identify the three major types of office layout.
5. Differentiate between the features of the group and process layout styles.
6. How would you describe the electric office layout style to a junior staff under your supervision?

Answers to Self Assessment Exercise

- 1 The nature of planning in relation to the business office involves a mental visualization of how the physical structure of the business office would actually look like in a practical settings or form.
- 2 Dr. Odiagbe [1994] defined office layout as the conscious planning and arrangement of all available physical equipment within a given office space in order to achieve optimum space utilization, comfort, free flow of work and aesthetic environment appeal.
- 3 Simply put, principles are guidelines meant to direct or influence the way and manners by which the laying out of an office is carried out.
- 4 The three major types of office layout are: group office layout, process office layout and electric office layout.
5. The group office layout style includes grouping together as well as location of workers doing similar jobs and given the location a generalized name eg registry, accounting pool, typing pool etc. On the other hand, the process layout involves locating machines and equipment performing stage by stage or terminal operations sequentially to attain a continuous workflow.
6. The electronic office layout style is a combination or fusion of both the group and process layouts for effective workflow.

4.0 CONCLUSION

Office planning and layout is a common phenomena among business organizations, big or small. However, individual organizations adapt the layout format that is best suitable for its need in live with its peculiar business. Office planning and layout is a serious task, hence a skeletal paper work giving a pictorial format is a necessary precursor.

5.0 SUMMARY

Office planning and layout is a common feature of all types of business organizations. The planning process is a mental exercise which is translated into a physical feature via the layout process. No matter the size of the organization and the nature of its business, the office planning and layout processes are guided by universal principles which are aimed at or directed towards standardization in order to maximize the gains derivable from both processes.

6.0 TUTOR MARKED ASSIGNMENT

You are required to enumerate the basic principles that will guide you in the planning and layout of an office, using a particular industrial outfit of your choice.

7.0 REFERENCE

Fasanmi, E. A. (1999), *Office Practice*, Yaba, Lagos , Touchstone Books.

Odiagbe, J. N. (1994), *Modern Office and Secretarial Administration*, London, Summit Publishing Enterprises.

UNIT 3 THE ORGANIZATION STRUCTURE OF THE OFFICE

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Contents
 - 3.1 Types of Office
 - 3.1.1 The Open Office
 - 3.1.2 Merits of an Open Office
 - 3.2 The Closed Office
 - 3.2.1 Merits of a Closed Office
 - 3.2.2 Demerits of a Closed Office
 - 3.3 The Panoramic Office
 - 3.3.1 Merits of a Panoramic Office
 - 3.3.2 Demerits of a Panoramic Office
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assignments
- 7.0 References

1.0 INTRODUCTION

Structure gives the picture of a whole made up of parts which are arranged in such a befitting manner to form a concrete whole. An organization is made up of parts in the form departments, divisions, sections or units. The phrase, organization structure of the office, refers to the features of the various types of offices created by individual businesses or organizations in accordance with its requirements. Thus, from one organization to the other, the structural arrangement may differ.

2.0 OBJECTIVES

At the end of the unit the student will have acquired the basic knowledge of the various components of an office which constitute or combine to make the overall structure of the business office.

3.0 MAIN CONTENTS

3.1 Types of Offices

Office structural patterns differ from organization to organization and are usually done according to the nature of the particular organization involved hence there are different types of office structure.

3.1.1 The Open Office Structure

This is an unpartitioned large open office floor space meant to contain a sizeable number of office personnel performing related functions in administrative, clerical and secretarial fields. Bank, insurance, shipping and mail companies commonly adopt the open office pattern.

3.1.2 Merits of the Open Office

- (a) It is typically economical or cost saving through shared-equipment and partitioning.
- (b) It encourages and strengthens both official and private interpersonal relationships.
- (c) It makes for easy staff monitoring, supervision and control.
- (d) It makes rearrangement of office space more flexible i.e. easily adaptable.
- (e) It renders easier more effective formal and informal communication.
- (f) It fosters smooth workflow and human traffic.
- (g) Fraudulent, underhand or sharp human traits activities are rendered reduced.

3.1.3 Demerits of the Open Office

- (a) It is characteristically noisy; the slightest noise or distraction one table causes general distraction and discomfort.
- (b) It is devoid of individual privacy.
- (c) Locating different cadres of staff in the open office may erode status resulting in demoralization.
- (d) Shared-facilities may not offer the same degree of comfort to staff always.
- (e) Contagious and infectious diseases may be easily spread.
- (f) Maximum utilization of office floor space may result in overcrowding hence discomfort.

3.2 The Closed Office Structure

The private or conventional office, as it is also called, is a small room compartment usually meant for one executive staff only. Secretaries or Personal Assistants to Chief Executives also usually benefit. The open floor space is partitioned into small rooms, with size and amenities contained dependent on the status of the occupant.

3.2.1 Merits of the Closed Office

The closed office offers the following advantages:

- (a) It offers privacy and enhances staff status and prestige.
- (b) It influences concentration resulting in increased productivity.
- (c) Documents are personalized, equipment are more safeguarded.
- (d) Office is arranged to suit occupant's taste.
- (e) It tends to be more orderly and offers a more business-like approach to performance.
- (f) The occupant alone is responsible and liable for mishandling of the office contents.

3.2.2 Demerits of the Closed Office

The closed office harbours some disadvantages as enumerated below:

- (a) It is dis-economical in terms of cost to establish.
- (b) It reduces the floor space capacity and delimits members of staff/equipment.
- (c) Communication becomes much more formalized with workflow as a victim.
- (d) It not only slows down but also attracts or causes ineffective supervision.
- (e) Loneliness and boredom may result in laziness, hence work delay and productivity is low.

3.3 The Panoramic or Landscape Office Structure

The landscape office is an adaptation of the features of both the open and closed offices. It comprises a low level open floor space with an elevated end containing a closed cubicle or room with a panoramic view, where a manager or supervisor is housed to oversee the activities of the open-floor without leaving his seat. The room at the elevation is best partitioned with aluminium pillars and transparent/semitransparent glasses and adorned with moveable blinds. However, style may be varied to satisfy purpose or need.

3.3.1 Merits of the Landscape Office

Advantages accruable from the landscape office include:

- (a) Privacy cum security for the occupant and documents/facilities.
- (b) Supervision of both staff and customers' activities is ensured.
- (c) Staff and customers observe easier access to supervisor because of absence or lack of very formal protocol.
- (d) Productivity and good behaviour is enhanced due to instant guidance and supervisory touch.
- (e) It enjoys the double benefits of the open and closed offices.
- (f) It is cost-effective to dismantle if need be.

3.3.2 Demerits of the Panoramic Office

The underlisted demerits may also arise from the panoramic office structure.

- (a) Adaptations in its style of construction may render it non-classifiable in terms specific name.
- (b) Noise from the floor automatically distracts the elevated office.
- (c) Its usage is only task-oriented, hence non-applicable generally.
- (d) Impatient or frustrated customers may take undue advantage to disturb the manager or supervisor.
- (e) Shared-facilities are prone to spoilage due to unprofessional touch or handling.
- (f) Just as it enjoys the double advantage; it is also prone to double disadvantage of the open and closed offices.

Self Assessment Exercise

1. What do you understand by the word structure?
2. Distinguish an office structure from an organizational structure.
3. What do you think is responsible for structural differences in the office organizational structure?
4. Mention the three basic types of business office structures?
5. Which of them enjoys global application or preference and why?

Answers to Self Assessment Exercise

1. The word structure implies to a thing made up of different parts which are arranged suitably to form a concrete whole.

2. The structure of an office reflects an arrangement of one single office in an organization as against an organization structure that shows a collective picture of the different departments, divisions, sections and/or units.
3. What accounts for structural differences in the office structure of organizations results from the specific nature and need of each organization.
4. The three basic types of business office structures are:
 - (a) Open office structure
 - (b) Closed Officer structure
 - (c) Panoramic or Landscape office structure
5. The Closed or Conventional office structure enjoys popular or global acceptance. The reason arose from its privacy, status and prestige enhancement as well as its exclusion personal convenience.

4.0 CONCLUSION

The three types of office structures enlisted above have purpose-specific adaptation with the closed or cubicle type sharing global preference. It is also observable that they all have in common a near-proportionate number of merits and demerits. However, what is interesting and enduring about the subject matter is that an organization is at liberty to make a choice-drawn selection in accordance with its own particular needs.

5.0 SUMMARY

Office structure and organization structure appears to share a common nomenclature. They are distinct subject matters and have distinctive features or characteristics. Office structure relates to parts or feature within one single office, that is, intra-office features while an organization structure is made up of the different departments, divisions, sections and units with the entire organization. Three specific types of office structures are identified above with the closed and open structures enjoying phenomenal or global application whilst landscape the third type, enjoys a minimal preference because it is purely task-oriented or purpose-specific, with each characterized by merits and demerits.

6.0 TUTOR MARKED ASSIGNMENT (TMA)

Distinguish between the three formats of typical organizational office structures and outline their essences.

7.0 REFERENCES

Asika, N.M. & Odugbesan, A. O. (2002) *Understanding Nigerian Business Environment*, Lagos , Concept Publication Ltd..

Nwakanobi, E. I. (1998), *Office Administration*, Lagos , Emacko Publishing Co..

Fasanmi, E. A. (1999) op. cit.

Ihekwoaba, M. E. (2005) op, cit

UNIT 4 THE MAIL REGISTRY

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main contents
 - 3.1 Defining the Registry and Registry types
 - 3.2 Functions of the Registry
 - 3.3 Registry Personnel
 - 3.4 Official Correspondence – The Mail
 - 3.4.1 Treatment of in-coming mail
 - 3.4.2 Treatment of out-going mail
 - 3.5 The Mail Room Equipment
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor marked Assignment (TMA)
- 7.0 References.

1.0 INTRODUCTION

Speaking generally, the tradition of the business office is to deal with information. Information is usually generated in the office through internal and external communication. Therefore, communication serves as basic source of information among others. Communication comprises of letters, parcels, reports, telexes, circulars, memoranda, telephone discussions, invoices, account records and numerous other sources. The piece and pieces of communication are treated or synthesized and built up to form a whole body of information which, indeed, serve as raw materials to the office. In office parlance, the word, 'mail' is used to aptly describe inward and outward communication, called correspondence. In small business outfits, the secretary cum dispatch clerk handle mails. In large business organizations, a department or a unit is usually delegated to handle general correspondence; this department is commonly referred to as the Mail Room or Mail Registry. (*Odiagbe 1994, Ihekwoaba 2005*)

2.0 OBJECTIVES

This unit is intended to educate the student about the Mail Registry, its functions as well as the staff or personnel.

3.0 THE BODY

3.1 Defining the Mail Registry and Registry Types

The simple meaning of a Registry connotes a place or office where a register is kept. This could be a register of events or of records. The mail room performs a similar role.

The mail Registry can be defined as an office where correspondence is received and processed for dispatch and maintenance of files and records. It should be noted that this is purely a purpose-built definition. However it implies that the registry does not only process

and distribute correspondence, it is also involved in maintenance and preservation of general office records.

Registry Types

Functionally, registries can be classified as Open, Secret Centralized and Department Registries.

Open Registry: This registry deals with records of non-confidential nature and hence, access less restricted to office staff. This means that any registry staff can access and treat file records.

Secret Registry: This is a registry that handles confidential mails designated or classified as Restricted, Top Secret, Secret, Confidential, etc. As restricted records, access is open to only authorized registry staff.

Centralized Registry: This is a centrally located registry meant to house all files and records of the different departments within the organization. It is usually managed as a separate department like any other.

Departmental Registry: The name implies a replication of registries in individual departments in an organization. That is, the registry activity is decentralized with each department running its own registry.

3.2 Functions of the Mail Registry

The following functions are generally associated with mail registry operations:

- a) Receipt and processing of inward mails.
- b) Despatching outward and routing inward mails.
- c) Records storage and managements.
- d) Sorting, indexing and classifying documents.
- e) Opening new files and new volumes of files
- f) Maintaining register of files.
- g) Monitoring the movement of files.
- h) Cross-referencing of correspondence for appropriate and timely action.
- i) Maintaining a follow-up system through the Bring Up (BU) and Diary systems.

3.3 Registry Personnel

All registry staff are given functional names that is names, reflecting the type of work they perform. Below are such registry staff.

- a) Supervisor or Superintendent – Supervises all registry operations and exercises coordination and control.
- b) Registration Clerk – Known also as Receiving Clerk, he checks enclosures, maintains enclosure register and date-stamps incoming mails.
- c) Index Clerk – classifies new files for indexing, quote file numbers for all unreferenced letters, ensures no file duplication.

- d) Enclosure Clerk – Checks correctness of outward mails enclosures, page-number and make cross-reference for all file documents, ensures that the tracer use the correct file for each correspondence.
- e) Tracer/Searcher – Responsible for retrieving files in circulation or in cabinets, produces daily list of all “foreign” files in the registry, assists Enclosure clerk in filing matters.
- f) Transit Clerk – Handles movement of files, creates transit index for every new file opened and another for every file leaving registry, assists the tracer for file recovery.
- g) New Files Clerk – Opening of new files.
- h) B.U. Clerk – A Reviews Clerk by another name, he ensures that action – labeled files are brought up for action, ensures storage in the archives of “dead” or “closed” files, maintains a B.U. diary for up-date action, replaces damaged or torn file covers, opens additional volume of files.
- i) PA Clerk – Responsible for putting away files into proper storage.
- j) Despatch Clerk – Despatches outward mails.

3.4 Official Correspondence – The Mail

Correspondence reaches the office through four main external sources – Mail runner – hand delivery, Post Office Box, Post Office Mail Bag (PMB) and Courier Service (Agents) Agencies.

These are classified as incoming or inward mails. Similarly, correspondence sent by an organization are designated as outgoing or outward mails.

3.4.1 Treatment of Incoming Mails

The following standard procedure is applied for handling inward mails:

- a) Sign for all Hand delivery mails, registered letters, telegrams and treat them immediately.
- b) Sort other mails into official (open), secret, urgent, confidential and personal categories.
- c) ‘Secret’ ‘confidential’ and ‘personal’ marked letters should be forwarded without being tampered with to the Secret Registry.
- d) Open other letters, remove and correctness of contents. (Keep enclosure envelopes for destruction later)
- e) Register all correspondence, except personal letters, appropriately – in respective registers.
- f) Stamp official letters with “Received Date Stamp”, and append signature and date.
- g) Read and make copies of letters requiring the alternative of two or more departments or staff.
- h) Alternatively, attach a slip listing out the departments concerned.
- i) Enlist and to the cashier instantly all postal orders, money orders, cheques, bank drafts etc and obtain confirmation of receipt.
- j) Organization policy may require you to send all inward official mails to the office of the Chief Executive Officer first.
- k) Personal letter(s) opened in error should be stapled back with an inscription on the envelope: “sorry, letter opened in error” and opened your signature.

- l) Incorrect enclosures must be so noted on the body of the letter as well as on the Inward Correspondence Register.
- m) Treated letters must be filed daily.

Self Assessment Exercise 1

1. How is information commonly generated in offices?
2. What constitutes general correspondence in the office environ?
3. Mention some of the constituents of general correspondence in the office.
4. What is a mail registry?
5. Enlist the commonly found types of registry.

Answers to Self Assessment Exercise 1

1. Information is usually generated in offices through internal and external communication.
2. In the office environ, the mail in form of inward and outward communication constitute general correspondence.
3. Some of the constituents of general officer correspondence include the following: letters, memoranda, parcels, telephone discussions, reports, account records and numerous others.
4. The Mail Registry is an office which handles the processing of inward and outward correspondence with the responsibility of proper storage and accurate maintenance of all processed records.
5. The commonly known types of registry are:
 - (a) Open Registry
 - (b) Secret Registry
 - (c) Centralized Registry
 - (d) Departmental Registry

3.4.2 Treatment of Outward Mails

Follow the procedure outlined below to handle outgoing correspondence:

- a) Ensure prompt delivery of daily mails from different departments to the mail room for quick despatch.
- b) Check letters for corrections of addresses against the address on envelopes.
- c) Enter all outward correspondence in the Outward Correspondence Register.
- d) All mails classified as secret must be despatched from the secret room whilst open mails be so handled by the open registry.
- e) All classified mails must be enclosed in two envelopes. The first and inner envelop must bear name and address of addressee as well the classified stamp impression and wax-sealed. The second envelope shields the identity of the inner one and bears only name and address without the classified stamp.
- f) Ensure that all mails are signed and enclosures confirmed as correct.
- g) Hand delivery letters must be labeled "By Hand", weighed and stamped recorded in the Despatch Book before despatch, and must be signed by the recipients.
- h) Mails to be posted must be weighed and affixed with correct stamp value; entered in the appropriate register before delivery to the post office.

- i) Be advised to file classified documents in cabinets, drawers or safes while open mails get secured in shelves or file racks.

Pictorial Format of Inward and Outward Correspondence Registers

(a) ***Inward Correspondence Register***

Date of Letter	Delivery Date	Reference Number	Subject Matter	Remarks

(b) ***Outward Correspondence Register***

Despatch Date	Reference Number	Subject Matter	Remarks

3.5 The Mail Room Equipment

The under-listed office equipment are commonly found in the mail rooms of very big organizations.

Small organizations may not necessary afford the magnitude because they usually deal with small quantities of correspondence.

- a) *Letter Opening Machine*: Used for opening envelopes. It can be operated manually or electrically.
- b) *Paper Knife*: Used for opening envelopes as substitute to the opening machine.
- c) *Folding Machine*: Used for folding papers into different sizes as desired. It can be electric driven or manually operated.
- d) *Mailing Machine*: Used for folding papers but on improvement on the folding machine. It is also capable of forming an envelope around paper and get it sealed.
- e) *Envelope Sealing Machine*: Used for sealing all types of envelopes.
- f) *Franking Machine*: Used for stamping red impressions with the value of the postal stamp for posting the document concerned.
- g) *Stamp-Affixing Machine*: Used to fix postage stamps on envelopes and parcels.
- h) *Addressing Machine*: Used for printing names and addresses on envelopes and or parcels.
- i) *Embossing Machine*: Used for embossing the name/logo of a company on documents. It is designed in iron carvings.

- j) *Stapling Machine*: Used for sticking or stapling papers together.
- k) *Shredding Machine*: Used for destroying documents.
- l) *Perforating Machine*: Perforator, as is commonly called, is used to punch holes on papers for filing purposes.
- m) *Scissors/Knife/Blade*: Used for cutting papers to sizes.
- n) *Scale*: A machine used for weighing letters and parcels to determine appropriate values of postage stamps.
- o) *Post Office Directory*: Used for locating names and addresses of companies or organizations.
- p) *Telephone Directory*: Used for locating organizations names, addresses and telephone numbers. This is produced by Nigerian Telecommunications Ltd. (NITEL)
- q) *City Map Directory*: Also called street Directory, it contains the map and location of streets in a particular locality as guide to visitors.
- r) *Despatch Book*: Used for recording hand-delivery mails.
- s) *Inward/Outward Mail Registers*: Used for recording mails as implied by the name.
- t) “Received” and “Despatched” Stamps: These are rubber stamps used for embossing received and dispatched documents. Such other rubber stamps used for similar purposes can also be procured.

Self Assessment Exercise 2

1. Enumerate the four main sources of external mail.
2. What role does the Mail Registration Clerk plays in the processing of correspondence?
3. What are mail room equipment? Support your answer by naming a few of such equipment.
4. What are the features of the inward and outward correspondence registers?

Answers to Self Assessment Exercise 2

1. The four major sources of external mail or correspondence to the office are:
 - (a) The Mail Runner (Delivery Clerk)
 - (b) The Post Office Box
 - (c) The Post Office Mail Bank
 - (d) The Courier Service Agencies
2. It is the duty of the Mail Registration Clerk to receive, date stamp, confirm enclosures and maintains a register for such enclosures.

3. Mail room equipment are different types of mechanically operated and power-driven tools and machines that serve to assist in the handling and processing of office correspondence. Some example of such equipment are franking machine, paper knife, perforating machine and a host of others.
4. The inward register has five main features which serve as headings of the five columns into which it is divided, viz: Date of Letter, Date of Delivery, Reference Number, Subject Matter and Remark. Similarly, the outward register has a four column page titled: Despatch Date, Reference Number, Subject Matter, and Remark stated sequentially as mentioned.

4.0 CONCLUSION

Business correspondence is the springboard for all business activities in an organization.

This is ostensibly so because correspondence contain variegated body of information which in turn serves as raw materials to office functions. It is therefore very important for an organization to organize and manage information effectively stored, retrieved and efficiently utilized.

5.0 SUMMARY

The Mail Registry is a repository of information, and hence plays a very vital role in information and records management.

Procedures for handling the daily inward and outward flow of correspondence which constitute the body of information were highlighted. A faithful application of the procedures will certainly lead to an effective and efficient information management.

However, it is important that the registry is equipped appropriately with the needed human and material resources in order to enable it work along the lines of effectiveness and productivity.

6.0 TUTOR MARKED ASSIGNMENT

With an hypothetical piece of inward correspondence, state clearly how you will handle its treatment procedurally in the Open and Secret Registry.

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MODULE TWO PROCESSING, STORAGE AND MANAGEMENT OF DOCUMENTS, DESIGN AND CONTROL OF OFFICE FORMS

Unit 1	Filing System
Unit 2	Filing and Indexing II
Unit 3	Records Management
Unit 4	Forms Design and Control

UNIT 1 FILING SYSTEM

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Body
 - 3.1 The filing concept
 - 3.2 The need for filing
 - 3.3 Essentials of a good filing system
 - 3.4 Departmental & Centralized filing
 - 3.5 Methods or classification of filing system
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assignment
- 7.0 Reference

1.0 INTRODUCTION

One of the basic primary functions of any organization is to have an effective documentation of its information and transaction records. This is much more so because organizational success depends on effective and efficient utilization of the block of information at its disposal. This, therefore, underscores the need for the organization to have an effective preservation and storage of its records. Filing is, thus, a major avenue by which the office functions of receiving, collecting, analyzing, updating, preserving and retrieving documents. (Information) is accomplished.

2.0 OBJECTIVES

At the end of the unit, students are expected to:

- 1. Know the concept of filing.
- 2. The various methods of filing.
- 3. The essence or importance of filing.

3.0 MAIN BODY

3.1 The Filing Concept

The word file is a very commonly used term in every office environment. A file is a collection of related document pertaining to a given subject matter which are well organized for the purpose of easy reference. Filing is essentially a method or process by which documents or letters are sorted under appropriate subject headings and put in folders for preservation, and stored for easy location. Files contain vital information that guides organizational decision making and are thus regarded as treasures of organizations. (*Fasanmi 1999, Nwakanobi 1998, Goeffery 1984*)

3.2 The Need for Filing

Since file contents metamorphos to synthesized information as input to decision making, it is important that students are well informed to appreciate the reasons or need for filing, as enumerated below. Files are kept in offices in order to:

- a) build a data-base or databank as reference point.
- b) preserve documents from deleroration, destruction and theft.
- c) Organic information under categorized subjects.
- d) Ensure easy access or retrieval of information.
- e) Enable the office to extract facts and figures to either forestall or consioner queries.
- f) reduce time and efforts for searching or retrieving information.
- g) assist in ascertaining contractual deeds or agreements or obligations.
- h) comply with statutory requirements that organization keep some vital documents about their legal entity and operations.

3.3 Essentials of a Good Filing System

Whatever filing system an organization adopts must be suitable to meet its peculiar needs. However, some general characteristics of a good filing system featured below should be noted.

- a) Simplicity – it must be capable of easy understanding and also simple to operate.
- b) Economical – it must not be too expensive to install and maintain, the cost must match the benefits it offers.
- c) Compactness – it must be designed to be compact in order not to waste space.
- d) Elasticity / Flexibility – it must be capable of adaptation to meet present and changing needs.
- e) Accessibility – storage facilities should be easy to access for insertion or extraction of documents.
- f) Suitability – particular needs or characteristics of an organization must determine the system adopted.
- g) Classification – the system must be designed to accommodate open and secret documents classification.
- h) Security/Confidential – the system must be adequately secured to avoid, theft, piracy destruction by insects or ants, fire and weathering. Irreplaceable documents must be kept in fireproof cabinets.
- i) Gross-referencing- the system must provide for cross- referencing of document.

- j) Retention/permanence – the system must be capable of sustaining retention or permanence of records as long as such are important and useful.

3.4 Departmental and Centralized Filing.

To satisfy its peculiar needs, an organization may adapt either a departmental or centralized filing system.

3.4:1 Departmental Filing

This is a system of filing requiring each department in an organization to create and maintain its own particular filing system. Departmental or centralized filing merely indicates the location of the filing system of an organization distinct from filing methods. Each of the two systems has merits and demerits.

Merits Of Department Filing

- a) It is easy to understand and operate.
- b) It allows all members of the department to design its own method of filing.
- c) Almost all members of the department can operate it without special training apart from induction of new staff.
- d) It provides confidentiality as no department exposes its files to another.
- e) It is much more efficient as it can easily avoid delay.
- f) Registration of any staff within the department may not affect its operation.

Demerits of Departmental Filing

- a) It creates duplication of file subjects.
- b) It duplicates provision of filing equipment.
- c) It is not cost-effective (extensive) in terms of equipment and office space.
- d) Delay may occur in accessing files where staff are engaged in other departmental duties.
- e) Prompt update of records may be effected by such a delay as above.

3.4.2 Centralized Filing System.

This system allows for files of an organization to be located in one central place for general access. Its preference is mainly suitable for very big or large organizations only. It is not cost effective for smaller organizations. Central filing system requires all files of a business to be kept in one big room. Also, all documents on the same subject are to be filed in one single file. Practically, because of its very nature, it adopts a measure of departmental filing to enable it operate efficiently.

Merits Of Centralized Filing

- a) It eliminates duplication of files and documents.
- b) It is much more economical in terms of cost and office floor space.
- c) It provides for uniformity of style and procedure.
- d) It allows staff to be specialized in their jobs
- e) It ensures effective supervision and follow up of staff and records.
- f) It promotes team spirit and staff control.

- h) It facilitates access and movement of records.

Demerits of Centralization Filing

- a) Records are easily lost if access is not properly processed
- b) Where a document is required at the time by more than one department, a delay may occur.
- c) All records may be lost due to theft or damage by fire hazard.
- d) Resignation and delayed replacement of a specialized staff may pose a problem.
- e) Training is needed before a staff can be deployed.
- f) It provides a dumping ground for unwanted records or documents.

Self Assessment Exercise 1

1. Define the term “Filing”.
2. Why is it necessary for any organization to have an effective documentation and presentation of records of its activities.
3. By what means does an organization accomplish its main functions of information processing?
4. Enumerate the main functions involved in office information processing.
5. What do you understand by elasticity/flexibility and accessibility among the essential features of a good filing system.
6. Differentiate between departmental and centralized filing systems.

Answers to Self Assessment Exercise 1

1. Filing is a process by which documents are sorted and filed under appropriate subject heading and kept in file folders for preservation, storage and retrieval.
2. It is necessary for an organization to have effective documentation and preservation of records of its activities because organizational success depends so much on the effective and efficient use of the entire information.
3. Filing is the main avenue or major means by which the typical organization accomplishes its main functions of information processing.
4. The main functions involved in office information processing include receiving, collecting, analyzing, updating, preservation and retrieval of documented information.
5. Elasticity or flexibility as essentials of a good filing system means that the filing system adopted by an organization must be such that is capable of being expanded to accommodate present and future organization requirements. Accessibility implies easy access to stored records for insertion of new documents or extraction of old ones.
6. Departmental filing requires each department of the organization to adapt its own filing system exclusively. Centralized filing, on the other hand, requires filing of all organization’s documents in one centralized place for access.

3.5 Classification of Filing Systems

General speaking, office documents are usually grouped or categorized by common features, contents and relationships for the purpose of easy storage. This process is referred as classification. In other words, records of similar subject matters or contents are classified accordingly, grouped together enclosed in a folder and stored

by a suitable method of arrangement. There are quite a number of file classification methods commonly applied.

A. *Alphabetical Filing*

This system requires files to be arranged for storage in the sequence of the English Alphabets – (A-Z), patterned alongside the dictionary format. It provides guides for location of files through:

Tray Guides – Labels in front of the drawers e.g A-D, etc.

Primary Guides – Guides provided within a drawer e.g. A, B, C, D. separately, for A-D. They are cards inserted visibly by the left side of the drawer.

Secondary Guides: Cards labeled within a drawer at the centre to show a subdivision of an alphabet e.g. Ak, Bn, Co, Di.

Labels: identifying, marks on individual files.

Rules for Alphabetical filing

Some basic rules guide alphabetical filing system or method as it affects names of persons and names of organizations.

1 Names of persons

- a) A surname comes first before fore names or initials. E.g. Adebayo, Grace or Adebayo, B. A.
- b) Surnames are arranged in alphabetical order e.g. Adebola, F. A., Adedoyin, O. A etc.
- c) Similar surnames are arranged in order of initials. Where a name has no initials it must precede a name with initials e.g. Brown, Brown, A. A. Brown, C. D. etc.
- d) Titles are ignored i.e. they are not used for filing purposes e.g. Harriman M. O (Mr).
- e) Identical names are arranged according to addresses e.g. Dick, James – Kaduna, Dick, James – Lagos.

2 Names of Organizations

- a) A surname precedes a company's name, e.g. Harriman, J.S. and Co. Ltd.
- b) First name of a firm with several names is used as Messrs James, Peter and Dick is arranged under James.
- c) 'The', serving as the first word of a name is ignored e.g. The Bottling Co. Ltd is filed as Bottling Co. Ltd,
- d) Names with initials are placed before full names e.g. Cou Engineering Ltd precedes Case and Brothers Ltd.
- e) Names with numbers filed as the numbers are written in words e.g. 77 Brewers Ltd becomes Seventy-seven Brewers Ltd.
- f) Government Departments are arranged under names e.g. Ministry of Education as Education, Ministry of Finance, ministry of Alphabetical filing system can be further hybridized for expansion purposes through combination with other systems to produce e.g. - Alpha- Number; Alpha-Decimal system Alpha-Geographical system etc.

Advantages of Alphabetical Filing

- a) It is simple to understand and operate
- b) It is convenient for grouping documents by name.
- c) For expansion purposes, it can be very elastic.
- d) It is capable of adding extra files without disorganizing the original arrangement.

Disadvantages

- a) It is cumbersome in a system. It requires pre-prepared index to operate it efficiently.
- b) Common names files could be very congested while there may be only a few papers in some other folders.
- c) Where names are wrongly spelt, it could lead to misplacement of files.
- d) It does not allow for a determination of precise space requirement.

B *Numerical Method or Classification*

This system is based on numbers. Each set of documents or each name is attached a specific reference number, and filed according to the number order. For instance to find Adams file, the number of the file must be known first. An index system comprising index cards bearing the name/number of each correspondent. These cards are arranged in alphabetical order in a box or container for every reference to the location of a document.

Advantages

- a) It makes for greater accuracy
- b) It gives unlimited expansion possibility with respect to volume of numbers.
- c) Possibility of missing or misplacement of files is reduced as absent numbers can be easily noticed and located.
- d) Confidentiality or secrecy is assured as file numbers can easily conceal identity of names from unauthorized persons.
- e) File numbers can be used as reference for letters.

Disadvantages

- a) It consumes more office floor space.
- b) It is time consuming as reference to the index takes more time than locating the file.
- c) It involves more work in setting up
- d) Trained personnel to operate the system effectively.
- e) Inadvertent transposition of figures results in misfiling and can create a lot of confusion to the system.

C *Subject Filing Method*

Subject filing uses topics or subjects of correspondence as a basis for filing of documents. It requires all related document on a subject to be filed in one file even though such documents may come from different sources; for instance, letters to and from many different people on a particular subject. The following picture could be taken as a good example:

Employment Organization	(1)	Promotion and Retirement
	(2)	Wages and salaries
	(3)	Debtors
	(4)	Creditors etc.

With growth of the organization, sub-division under each subject headings can be created. This process of classification and sub-classification can be created. This process of classification can often be carried a stage further wherever the need arises. Examine the following scenario, showing main and subdivisions:

MAIN DIVISIONS	PREMISES	STAFF	EQUIPMENT
Subdivisions	{ Heating Maintenance	Applications Salary Scales	Purchases Maintenance

Advantages of Subject Filing

- Easy reference can be made to any subject directly.
- New subjects can easily be added to existing ones at any point without need for restructuring the system.
- Identification becomes much easier as the file itself is indicative of the subject matter it contains.
- It makes unlimited expansion possible.
- It is much more cost effective than numerical method.

Disadvantages

- All subjects an organization deals with must be included and this is not easily feasible.
- Wrong filing may occur if operating staff do not have a thorough knowledge of the activities of the business.
- If a document falls under more than one subject heading, it is difficult to decide the appropriate title for filing.
- It needs an alphabetical index to support or complement its proper function and this may make it costly.

D *Geographical Filing System*

By this system, documents or correspondents are arranged their geographical location such as country, state, territory, zone, district and so on. For example a marketing firm may have four territories by a North, South, West and East divisions with names of their distributors stated against the territories as appear below:

NORTHERN TERRITORY	SOUTHERN TERRITORY	WESTERN TERRITORY	EASTERN TERRITORY
Distributors	Distributors	Distributors	Distributors
Ifeanyi C A Martins & Co Dosunmu & Co	Hassan Tebo Uzoma Tina Glory Chile	Sunday John Charity A.A Biode Ltd	Silas & Silas Igwe Santos Gabriella S.

Advantages

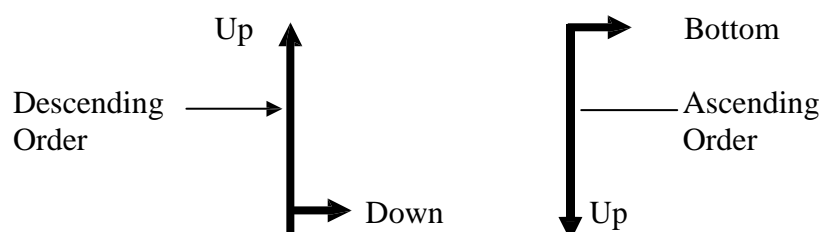
- It is simple system and allows for direct filing.
- Once the location is known, reference becomes very easy.
- It allows correspondence to be arranged alphabetically under each territory.
- Combined with subject or alphabetical system makes it more efficient to operate.

Disadvantages

- Poor knowledge of the geography of a place by operators may cause problem of misfiling.
- Alphabetical index is necessary to facilitate its effective operation.
- Combining two methods of classification may bring about confusion as well as increased cost.
- For the method to function, it may warrant the engagement or employment of experts.
- Employment of experts will result in increased cost.

E Chronological Filing System

Chronological implies a sequence or an order of arrangement. Chronological filing method then implies arrangement of documents by the date or time order of receipt. This means filing of documents by either bottom-down or bottom-up. Bottom-down reflects an ascending pagination order; bottom-up reflects a descending order of pagination. The direction of the following perpendicular times aptly interprets above scenario:



Date of receipt becomes the most important consideration for chronological filing method (day, month, year), meaning that date of receipt of a document in the office determines the position of filing it.

Advantages of Chronological Filing

- A strict order of date of receipt is used to file documents.
- It is very simple to understand and operate.
- Range of use of dates is endless.

- d) Documents could be filed for many years, months and days past in chronological order.
- e) It requires no special training for the operators.
- f) It is a good system for filing invoices bills and vouchers for ease of reference.

Disadvantages

- a) Any file wrongly placed, may affect the whole system.
- b) It is not ideal system for big organizations.
- c) It needs an index register to locate each file.
- d) Decoding must be done in three parts – day, month and year.
- e) Date–stamping all inward mails where a large volume is involved consumes a lot of valuable time.

Self Assessment Exercise 2

1. What is the meaning of classification of filing?
2. Briefly describe the alphabetical method of filing?
3. Mention two of its most outstanding advantages.
4. Explain the subject 'Filing Method' of Classification.
5. Why does the subject filing method enjoy more global patronage?
6. Enlist other known methods of filing classification.

Answers to Self Assessment Exercise 2

1. Classification of filing simply means the grouping together of office documents by common features, contents and relationships of similar subject matters from enclosure in a file folder for storage purpose.
2. The alphabetical method of filing implies the arrangement of files in the sequence of the English alphabets, viz “A to Z”, patterned alongside the dictionary format.
3. Two of its most outstanding advantages are:
 - (a) Simplicity of understanding and easy application.
 - (b) It has unlimited capacity (elasticity) for expression.
4. The subject method of filing classification applies the use of subjects or topics of correspondence as a basis of filing documents.
5. The subject filing method of classification enjoys more global patronage because of its cost effectiveness and unlimited expansion capacity.
6. Apart from the alphabetical and subject, other known methods of filing classification includes:
 - (a) Numerical filing method
 - (b) Geographical filing method
 - (c) Chronological filing method
 - (d) Alpha-numerical filing method.

4.0 CONCLUSION

Filing and storage of office documents is an integral part of records management. To make a success of it, careful planning is required in order to make a choice of any system that most appropriately satisfies the particular need of an organization. The ultimate success of a

chosen system depends on its in-depth understanding and knowledge as well as the capability of the operating personnel.

5.0 SUMMARY

This unit tries to explain the meaning of the filing concept whilst it goes on to highlight the need as well as the essential features of a good filing system. In addition, the two major options of filing – departmental and centralized filing systems –were equally underscored. However, most importantly, the main methods or classification of filing systems were not only stated but the merits and demerits of each of them were stressed in order to make for easier preference, based on peculiar needs or suitability for an organization.

6.0 TUTOR MARKED ASSIGNMENT (TMA)

What is the meaning of the filing concept? With reasons, enunciate the justification of the departmental and centralized filing options available to business (organizations) offices.

7.0 REFERENCE

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UNIT 2 FILING AND INDEXING II

- 1.0 Introduction
- 2.0 Objective
- 3.0 Main Contents
 - 3.1 Combination of filing classifications
 - 3.2 Filing methods
 - 3.3 Opening New files/file types.
 - 3.3.1 Misfiling correction
 - 3.4 Follow-up system
 - 3.5 Indexing and Indexing Systems
 - 3.6 Filing Equipment
 - 3.6.1 Guidelines for choosing filing Equipment.
 - 3.7 Indexing Equipment
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assignments (TMA)
- 7.0 Reference

1.0 INTRODUCTION

This unit serves as continuation to the previous unit and concludes the treatment of all aspects that relate to the processing, arrangement and storage of office documents. The ultimate purpose for doing this is to provide easy access to as well as retrieval of documented office information.

2.0 OBJECTIVES

The unit is intended to expose the learner to a wide range or array of techniques/procedures involved in organizational records management in order to ensure an efficient functional discharge of office operations.

3.0 MAIN CONTENTS

3.1 Combination of filing classifications

The main classifications of the various filing methods applicable to organizations were highlighted in the previous unit. In every human operations, a rigid single system may not enjoy a perfect fit, hence combination of the various classifications are commonly practiced to achieve better results. The most common methods which enjoy general applications are enlisted below:

(A) Alpha-Numeric Filing Method

This system or method of filing involves the Alphabetical and the Numerical systems combined. This implies that files are arranged first in order of alphabets and numbers assigned to each file in an ascending sequence.

(B) Alpha-Decimal Filing

This is similar to the alpha-numeric combination. The alpha-decimal is simply an extension of the alpha-numeric in a manner that whilst the alpha-numeric represents a main division and/or sub-division, the sub-division can also be fragmented in to a decimal numbering form. For instance, Files may be assigned subjects alphabetically – Sales (A), Advertisement (B), Personnel (C), and Premises (D) as main divisions.

Sub-division and are so codified e.g.

Main Division as	A	for Sales
Subdivision as	A1	Sales Cars
	A2	Sales of Lorries
	A3	Sales of Trucks
	A4	Sales of Tractors

The above subdivision may again in turn be subdivided using decimal digits as in the following format.

A1.1	Sales of Toyota
A1.2	Sales of Peugeot
A1.3	Sales of Datsun
A1.4	Sales of Mercedes Benz

This method has a major advantage of giving a ready reference number which aids prompt and easier tracing of files. Also, it is capable of limitless expansion for new additions of files.

(C) Alpha-Geographical Filing

This system involves arrangement of files in alphabetical order according to their geographical sources or locations.

3.2 Filing Methods Or Systems

Effective management of office records requires a good storage strategy to be put in place for easy access to the records. Methods of filing deal with this particular aspect. Filing methods refer to the arrangement of files in filing cabinets or filing equipment. Very few filing methods exist and those in common application are given below.

3.2.1 Horizontal Filing Methods

Also known as flat filing methods, the horizontal filing involves the arrangement of files in a flat manner, one on top of the other on shelves and shallow drawers, in some form of sequence so as to facilitate swift retrieval. Drawings building plans, master plans, maps and photographs are commonly stored in a flat form with appropriate indexing for easy identification and retrieval.

3.2.2 Vertical Filing Method

This method requires upright-positional arrangement of files one behind the other (sideways), on either shelves or racks or in file cabinets. In other words, a file is stored on edge upright

and the opening top edge attached with a name strip to enable quick and easy identification of each file.

3.2.3 Lateral Filing Method

The lateral system involves arrangement or storing of files side by side (sideways), like books arranged on shelves. The files are generally suspended from rails placed laterally in cabinets. The files are stored with the open side or end face-upwards. The cabinets are without drawers, and are made as deep as the length of the files, capable of storing several rows of files.

3.2.4 Suspension Filing Method

This system requires files to be stored on suspended metal carriers in cabinets by means of method bars attached to their edges.

3.2.5 Circular Or Rotary Filing Method

This method involves storing of files in pockets or wallets, suspended and linked or rotating platform or a vertical pillar. The vertical pillar stands on wheels with several circular or rotating trays for storing documents. The system revolves or rotates freely to left or right direction as desired, to enable a quick and easy access to a larger number of files. Several clerks can access the system simultaneously without one visibly disturbing the other.

Self Assessment Exercise 1

1. What do you think is the aim behind the use of combined filing classifications in the management of office files by business organization?
2. What is the meaning of the alpha-numeric filing method?
3. How is the alpha-numeric different from the alpha-decimal method?
4. Differentiate between classification of filing systems and methods or systems of filing.
5. Contrast the horizontal (flat) and lateral filing method.

Answers to Self Assessment Exercise 1

1. The use of combined filing classifications in the arrangement of office files by organizations is aimed at ensuring easy access to the retrieval of document information or records.
2. The alpha-numeric filing method involves the strewing together of the alphabetical and the numerical filing methods into one. The method involves the arrangement of files in strict order of the alphabets and a number attached to each file in strict numerical sequence.
3. The alpha-numeric and alpha-decimal method of filing are similar and have a meeting with the usage of alphabets cum numbers. The point of difference is the alpha-decimal's use of decimal figures to identify subdivisions in a main subject of filing.
4. Classification of filing systems implies grouping together of office documents by common features of subjects and contents relatedness to forge easy identify. On the other hand, method (systems) of filing refers to the manner in which file-folders are arranged in filing cabinets or equipment for storage.

5. Horizontal or flat filing method deals with the arrangement of files, one-atop the other, whilst the lateral method involves a sideways (side by side) arrangement like books in shelves.

3.3 Opening New Files/File Types

Very big or bulky files subject users to inconvenience of access and carriage. Expectedly, a new file is usually opened when an existing (old) file becomes too big for convenience of usage. Opening a new file, in continuation of a subject matter, is necessary in place of the old one and should incorporate the following steps in order to facilitate identification and easy retrieval.

- a) The old volume (file) should be marked 'closed' with date of closure indicated.
- b) The new volume retains same subject matter or title of the old file as well as date of activation or opening.
- c) The files index or identification number should be retained.
- d) The new volume should be so indicated as "Volume II, Volume III", or so.
- e) Indicate on the file cover the file number, the volume number, the subject heading and particulars of an action sheet.

3.3.1 FILE TYPES

- (A) **Temporary File:** As the name implies, it is indeed, a file to harbour a current record for only a short time pending transfer of its contents to the formal or main subject file. A temporary file is opened whereby the main file is missing or its immediate location cannot be ascertained or it could not be released from the custody of a schedule offer within a period of 24 hours to effect the filing of a new document. When a temporary file is opened, its cover page must contain the contents on the cover page of the old or main file, usually inscribed in pencil. Once the main file has been found or released, contents of the temporary file are transferred or merged with it and the temporary ceases to exist. Where the main file is declared missing, the words 'Duplicate, Original missing', should be written on the front cover of the new file and automatically replaces the main file.
- (B) **Sub Files:** A sub-file is an entity of its own and maintains a permanent nature. It is opened to deal or accommodate a specific aspect of a subject of a general nature, mostly dealt with by a main file. Thus, a sub-file is an extension of a main file with a separate or distinct identity.

However, the numbering of both files must be the same with an additional characteristic on the sub-file to indicate its sub-nature. For example, a main file dealing with the general staff training programmes of an organization may be "labeled" NAF/TP/25", while a sub-file dealing with junior and senior personnel training distinctively, could be labeled "NAF/TP/25/5.1" and "NAF/TP/25/5.2" respectively. A sub-file requires a distinctive indexing profile of its own as the main file.

- (C) **Case Files:** A case file is a file opened to deal with a specific case or matter with a usually short life span. Usually, a two-year life span is regarded as a standard or adequate disposal period.

A case file is basically an off-shoot of a main file of a permanent nature. For example, a main file may deal with contract awards of a general nature and marked "Contract Awards", numbered as "NAF/55. applications for contract awards from different clients, such as McDonald consults and Kennie-Bassey contracts, may be numbered as NAF/55/C.1 for McDonald and NAF/55/C.2 for Kennie-Bassey. When the award had been made and action completed on the case subject, there is little need to retain such case files for a long period.

3.3.2 Misfiling/Correction

Misfiling is interpreted to be a situation whereby a piece of document is filed in another file instead of the appropriate file to which the document belongs.

A case of misfiling is basically a human error, usually arising from work pressure, similarity of subject matters of different files, inability to comprehend filing structure, usually by untrained staff or new employees resulting in retrieval problems.

To correct any case of misfiling, the following actions should be taken procedurally.

- a) Retrieve both the right and wrong files.
- b) Extract the wrongly filed document.
- c) Insert a plain piece of paper to replace the extracted document.
- d) On the plain sheet, indicate the title description (heading) of the documents transferred to the appropriate file (name) and page number.
- e) File the extracted documents in the appropriate file.
- f) With a red biro, cross out the old number and replace same with a new page number applicable.
- g) Duly reflect the transfer on the Inward Mail Register.

3.4 Follow-Up Systems

The follow-up is a means by which needed attention is ensured to be given to matters requiring future attention on given dates. Follow-up is a system comprising memory aids devices meant to give effect to actions on documents at a future date. The system is operated through what is generally referred to as B.U (Bring Up).

3.4.1 Bring Up (B.U) System

Bring Up means accessing a document in order to take an action on a pending issue or matter at a specified date. Thus, matters' requiring future actions brings about the operation of the B.U System in the office. The Bring Up system is much more commonly and widely used in the Civil Service than Private Enterprises. A B.U-marked file serves any of the following purposes:

- When a reply to an outward correspondence is expected;
- When an information is required to be produced on a specific future date;
- When a necessary action needs to be taken at a given date.

The above situations arise when a B.U mark is date-specific. Conversely, a non-date-specific B.U mark is vague and subjects the operator in some form of difficulty and reliance on assumption or guess work.

3.4.2 Channels of Operation of The B.U System

The B.U or follow-up system is usually operated through the following channels:

(A) The Diary Channel

The B.U marked file is entered into a normal diary earmarked for this purpose and it contains:

- i. Identification mark or file number.
- ii. Page number of the specified document to be treated
- iii. Name or position-designated of the person to act on the file on the specified date.

The entry on the diary is done in chronological date order and referenced on daily basis in order to retrieve from storage for treatment. When action is completed on a B. U file, the entry on the diary is checked off as indication or evidence of treatment.

(B) The Dip Channel

The Dip system has a pigeon-holed structure, comprising 31 compartments (divisions) and numbered serially to reflect the 31-days month. Accordingly, B.U-marked files are inserted into the pigeon-holes in the specified date order for retrieval. Thus, a file meant for follow-up on, say the 25th of March, is inserted on the 25th pigeon hole to be retrieved on that day. If for any reason, a B.U file had to be removed before the due date, a card noting the particulars of the file and its location is put in its place in order not to frustrate the dip system.

(C) The Diary-Dip Channel

As the name implies, this channel combines both diary and dip systems as one entity. It has a major advantage of greater operational efficiency. The use of the diary saves valuable time by enabling the user to retrieve or pick up only those files meant for a specific day or date.

(D) The Tickler Channel

The name implies that it is supposed to tickle the memory of the clerk/staff in charge. The tickler system, known also as Card Tickler File, consists of a set of 12 monthly primary guides and 31 daily secondary guides. Information is recorded on the daily secondary guide cards and placed behind the appropriate month and day order. A Card Tickler may be used to follow up borrowed records or documents as well as matters requiring future attention. Having retrieved the file or record marked for B.U, the tickler card entry is deleted and placed behind the others in the drawer.

3.5 Indexing and Indexing Systems

Indexing is the process of determining how a piece of document is to be filed. The process involves writing out of all the names of files of an organization with the allocation of numbers and place identities for easy location. In other words, indexing is a method of

selecting the main title or name under which office documents are to be filed. Thus, filing concerns the method by which files are put away or stored while indexing is the method by which files are accessed. The main purpose of indexing is to facilitate the location of records.

3.5.1 Indexing Systems or Methods

The following methods are commonly applicable in indexing:

a) *Page Index*

This involves assigning a page or a number of pages for each letter of the twenty-six alphabet where the key words within a name are written alphabetically. This means that the files and index are arranged in the same alphabetical order.

b) *Vertical Card Index*

This system is made up of loose cards (in preferred sizes) which are arranged in an alphabetical order, with each card containing information or records about a particular subject or file. Additional (new) cards can be inserted in correct order at any point or place, while index cards for 'dead' files can be removed easily as well. Guide cards may be used to divide the index into convenient sections.

c) *Visible Card Index*

Commonly called the Cardex System, it comprises of cards in which a visible portion, showing name, title, or department of a file and covered with transparent plastics, are placed on top of the other in pockets on horizontal trays, or vertical sheets in a book form.

The trays are fitted with devices that hold the cards in position. The entire card becomes visible as the overlapping cards are raised to provide a view of the whole card.

d) *Strip Index*

The strip index comprises a strip instead of a whole card and contains only one-line or two-lines titles. On each narrow strip is typed or printed the name, address and telephone number of a customer. The strips are generally inserted in visible panels and are arranged and placed on a desk to form a visible desk index for easy reference.

e) *Rotary or Wheel Index*

This system comprises a rotary card index used where a quick reference is needed for a large number of records. The wheel is swung to rotate, to bring to view speedily the required card. A small rotary can be made available for desk-top use while a large motorized rotary is used when a great deal of information is needed for fingertip retrieval. The basic difference between the Wheel and the Rotary is that the former could be manually operated while the latter is energy-powered.

f) *Random Index*

This system comprises of cards with typed or printed information and equipped with strips of metal teeth attached to the bottom edge of the card. The teeth are cut in relation to magnetic rods that run under the cards. The system is key-board operated; the depression of a key or keys will cause one more cards required to be pushed up for access and retrieval. This system is usually used by outfits where quick or prompt service delivery is required.

3.6 Filing Equipment

Filing equipment belongs basically to the group of office equipment. They are so called because they are used exclusively for filing purposes.

Some filing equipment commonly available in organizations' filing rooms include the following: -

a) Arch Lever File

This is a heavy-gauged folder like cardboard cover filed with some stout arch-shaped wire loops which could be opened by means of a lever to allow for insertion or removal of documents.

b) Box Files

This is a hard cover rectangular cardboard which can be opened at the top. A spring-controlled arm is fixed to the top of the box by means of which documents can be inserted (filed) or removed.

c) Concertina File

This is a portable light cardboard pocket-like file usually meant for holding various documents temporarily awaiting permanent filing.

d) Wallet

This is made of light card, sometimes with cloth inserts to make for flexibility and is commonly used for the protection of legal and important documents.

e) Guard Book

This equipment is usually meant for storing small papers of varying sizes such as press cuttings.

f) Loose-Leaf Binders

These are of various classifications and are commonly used for hand or machine-posted ledgers, personnel records, sales statistics, instruction manuals and so on. The most common types in use include:

- (i) **Ring Binders:** These are binders fitted with metal rings, cut and hinged to them opened for insertion and removal of documents
- (ii) **Post Binders:** These binders have the leaves retained by means of posts passing through the covers and through holes punched in the leaves. Characteristically, they do not permit easy access to insertion and removal of papers.
- (iii) **Thong Binders:** The thongs are made to grip the binding edges of the front and back covers by pressure. The thongs are tightened by drawing the covers together so that they press on the binding margins of the leaves. Slack on the thongs allows documents to be easily inserted and removed.

(g) Folders

These exist in various forms or styles (designs) to meet varying requirements. Commonly available for use are:

- (i) *Simple Folders:* These are made of light or heavy gauge of cardboard folder as to form a cover. The fold is a little off-centre so that the back cover projects about an inch behind the front cover to provide a strip on which the reference heading is written.
- (ii) *Suspension Folders:* Suspension folders are designed with hooks on the edges to be suspended on nails along the side of a drawer in a lateral filing system. With a purpose-made design, they can also be used in a vertical filing system.
- (iii) *Labelling Folders:* These are folders made in such a way as to provide specific portions for writing descriptive titles in a manner suited to the equipment in use. The essence is to make such labelled titles visible to the user.

(h) Fasteners

Fasteners are indeed folders to which some fastening devices are attached to affect a firm grip of filed documents instead of leaving them in loose forms. A few types are in common use in business offices as shown below:

- (i) *Paper Fasteners:* This involves punched holes into the folder and documents into which a two-pronged basis paper fasteners pass through. It is better to use two instead of one single fastener so as to avoid documents to torn of the holes through careless handling.
- (ii) *Tagged Cords:* Here a short length of cord or rope is fitted at both ends with metals march to pass through holes punched in the folder and papers to hold down filed documents. In common official jargon, they are referred to as file tags.
- (iii) *Spring-Backed Folders:* This involves the building of a spring into the folder edge of the cover to grip the filed documents.
- (iv) *Prong or Flexible Strip Fasteners:* This involves a simple device attached to the folder consisting of two metals or plastic strips or prongs projecting from the back cover. Documents are punched on the left margin with two holes through which the strips are passed to secure the documents.
- (v) *Elastic Cord Fasteners:* These are cords with tagged ends, attached to the folder which are drawn to pass through the punched holes in the documents and secured by some form of clip. While stretched, the cords exert pressure on the building edges of the papers to grip or hold down. They are mostly useful for filing bulky documents like computer print-outs.

There are a lot more of filing equipment which are not mentioned here. It is rather convenient to regard most of them as office equipment generally as all filing equipment indeed office equipment.

However, it is necessary to note that not all office equipments are filing equipment.

3.6.1 Guideline for Choosing Filing Equipment.

To serve as a guide, it is important to consider some factors, as enlisted below, in choosing appropriate filing equipment for office use.

- a. Standard equipment in colour, size and shape of filing cabinets.

- b. Office layout in terms of floor space available helps to determine choice of equipment.
- c. Type of documents to be kept or stored.
- d. Durability of equipment in terms of short-run and long term benefits.
- e. Cost concept. Economic use of available resources is important.
- f. Growth or expansion factor is important consideration for organizations that have potentiality for growth.
- g. Protection of documents against loss or damage by dust, water and fire.
- h. Prevention of theft or unauthorized access.
- i. Reduction of physical efforts for accessing documents for insertion and retrieval.

3.7 Indexing Equipment

Various types of indexing equipment exist and took their names from the various types of indexing styles. Such indexing equipment include: -

- a) Vertical Card Index Tray
- b) Automatic Card Index Tray
- c) Strip Index Frame.
- d) Visible Card Index Tray
- e) Visible Loose Leaf-Binder Books
- f) Rotary Wheels.

Self Assessment Exercise 2

1. What would you do to a bulky file which becomes inconvenient for easy access and carriage?
2. What is a temporary file and under what circumstances is it opened?
3. Distinguish a sub file from a case file.
4. What do you understand by the follow-up system in records management?
5. What is indexing? How does it differ from filing?
6. What are folders and fasteners with regard to filing equipment?

Answers to Self Assessment Exercise 2

1. I would close the bulky file and cause a new one to be opened and label the former 'Volume I' and the latter "Volume II" as continuation and in place of the old file.
2. A temporary file is a file opened in place of a misplaced or engaged main file to harbour a new or current document for a very short period of time pending transfer of the new document to the main file.
3. A sub file deals with a specific aspect of a general subject matter harboured in a main file while a case file deals with a specific subject matter with a short life span. In other words, a subfile is an extension of a main file with a distinct and permanent identity while a case file ceases to exist after action is completed on the specific matter it deals with.
4. The follow-up system in records management is a process by which attention is drawn and action activated on matter reserved to be treated at a fixed future date when due.
5. Indexing is a process by which stored files are identified for easy and quick access or location as against filing which deals with the process of storage of files.

6. With regard to filing equipment, folders are light or thick cardboard papers of a rectangular stage into which office documents are enclosed. Fasteners are fastening devices meant to secure a firm grip of documents enclosed in folders.

4.0 CONCLUSION

Filing is a rather wide subject matter. It is a core aspect of an overall office records management. It is therefore basic that the officer worker has not only a good knowledge but also a thorough understanding of its functioning in order to be able to apply effectively any chosen method of its numerous methods. Such an understanding is a sine qua non for a sound and efficient records management.

5.0 SUMMARY

A sound information management is a basic and cardinal responsibility of the business office. Effective records management is a function of an efficient filing system. The methods of filing are many, as highlighted above, and each office or organization needs to adopt and adapt the method that best suit the nature of its business. No matter the choice of method made, however, the aims are the same fundamentally but a best result is achieved only and only if the basic tenets guiding its operation are thoroughly followed with suitable modifications to need requirement.

6.0 TUTOR MARKED ASSIGNMENT (TMA)

Irrespective of organization type, what, in your own opinion, would serve as a general guide to the choice of a filing method suitable to your organization, as a decision maker?

7.0 REFERENCES

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UNIT 3 RECORDS MANAGEMENT

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Body
 - 3.1 Records Management - Meaning
 - 3.2 Objectives of Records Management
 - 3.3 Principles of Records Management
 - 3.4 Types of Staff Records
 - 3.5 Importance of Staff Records
 - 3.6 Disposal of Records
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment (TMA)
- 7.0 Reference

1.0 INTRODUCTION

Information constitutes the overall raw material input to decision making in business organizations. Equally too, information constitutes the various office records created and managed in the day to day running of the affairs of a business. Information or records management is thus not only important but its effective management do enable organizations to solve management problems as well as take decisions for the short and long run survival of all profit or non-profit oriented businesses.

2.0 OBJECTIVES

This unit focuses attention of the student on the need for effective information or records management as every business action spins around the decisions sourced from available information, serving as the driving factor. Hence, at the end of the unit, students should have been schooled on the meaning of records management, objectives, principles, types and importance of staff records to the successful management of the business organization

3.0 MAIN BODY

3.1 Meaning of Records Management

In the course of operations of a business various forms of records are created, stored retrieved, retained and disposed off when necessary. The effective manner in which the entire process of record handling pervading through the various stages outlined above, could be referred to as records management. Thus, Odiagbe (1994) defined records management as “a preserved statement, sound, movement, or notation of significant activities, events, behaviours, facts and figures or anything that provides information about the past and present, for retrieval and reference at a future date”. Put very simply, records management is the creation, preservation and retrieval of office records for present and future use. However, from Odiagbe’s long definition cited above, it is observed that records management involves generation, preservation, retrieval, control, distribution or dissemination and final disposal of all office business records.

3.2 Objectives of Record Management

Speaking generally, records are managed to enhance or facilitate effective decision making arising from the tackling of management problems. However the following reasons are commonly adduced for the need for effective record management:

- (a) It provides and protects the management information system of an organization
- (b) It provides an efficient information data base for the management, staff and the relevant public of an organization.
- (c) It helps to develop and maintain an effective means of information handling.
- (d) It prevents to the barest minimum, an unauthorized access to information.
- (e) To aid the decision making process of an organization.
- (f) To ensure organizational continuity.
- (g) It assures organizational stability.
- (h) It makes for accurate, efficient and timely information sourcing

3.3 Principles of Information Management

Some factors or principles commonly serve as a guide to managers charged with the responsibility of records management with the basic ones stated below:

- (a) *Purpose Consideration:* Records management must be pursued with a clear aim or purpose which must be clearly understood and seem to guide operators to make it effective.
- (b) *Cost Consideration:* Cost involvement in records management should justifiably match the gains realized. The gains need to outweigh the cost.
- (c) *Retrievability Consideration:* The operation must allow for records to be retrieved quite easily with minimum waste of time and effort, else the objective is defeated.
- (d) *Security Consideration:* The system should guarantee security of records preserved in terms of environmental safety and unauthorized access.
- (e) *Classification Consideration:* Accurate classification of records must be made to ease storage, identification and retrieval of records.

3.4 Types of Records

Different types of business records are involved in the record management scheme. Amongst them attention is focused on some staff records of importance to the typical business organization.

- (a) ***Job Application File***
This contains application letters for jobs. The letters are separated accordingly to grade levels, qualifications and appointable and non-appointable basis.
- (b) ***Staff Attendance Record***
This contains, for each employee, coded absences exercised or not, leave of absence or otherwise, time off due to illness or otherwise and disciplinary measures taken.

- (c) ***Staff Appraisal Record***
This record is kept on every staff and contains work appraisals along lines of productivity, promotability, training required and other pieces of information affecting the staff.
- (d) ***Promotion File***
Usually contains list of promotable staff, due date for promotion and position to which the staff is promotable.
- (e) ***Compensation Record***
This shows a record of an employees' earnings, designation, wages or salary rates, dates, pay rise or increment rate and bases e.g. promotion, merit raise, meritorious service, etc.
- (f) ***Grievance Record***
Staff grievances and their settlement procedures internal or external, compensation or awards given are contained in this record.
- (g) ***Staff Discipline Record***
Contains information about staff in discipline, nature or appropriate disciplinary action(s) taken on such occasions.
- (h) ***Staff Development and Training Record***
This contains planned and organized on staff training and development programmes for the various categories of staff.
- (i) ***Leave Record***
Annual leave, casual, sick leave records, days entitled by each staff enjoyed or yet to be enjoyed.
- (j) ***Health and Accident Record***
It contains details of employees' medical history about job related illness injuries or accidents, their nature, dates, causes, time lag and claims involved.
- (k) ***Insurance Record***
Insurance policies fostered on belief of employees by the organization, inclusive of staff designation, next-of-kin, premium payable and other related information included in the policy coverage.
- (l) ***Suggestions Records***
Contains suggestions offered by the 'public' of an organization and actions taken over such suggestions.
- (m) ***Apprenticeship Agreement Record***
This contains employer/employee agreement reached regarding training for a particular professions, stating training type and duration as well as pay scales at various stages or phases of the apprenticeship.

The list above is merely selective and not conclusively exhaustive. Various records exist on staff welfare, committee meetings, finished stock, sales, purchases, plans-(short-long term), general correspondence, board, management and departmental meetings and many others.

3.5 Importance of Staff Records

Records, especially staff records, are very important to an organization because they determine its continuity and survival. Without appropriate records decisions over persons and issues would not be possible to be taken and even no basis for reference. The foregoing summarizes the importance of records to any organization. The followings however constitute good reasons for the importance of staff records:

- (a) They form a primary data source for assessing and controlling office personnel.
- (b) They enable organizations to make objective decisions about staff.
- (c) They form a data base for the management, government agencies and the general public.
- (d) They can be used to measure and control staff or labour turnover in an organization.
- (e) They can be useful by the personnel department of the organization to evaluate and control personnel activities.

3.6 Disposal of Office Records

An organization is a going concern and office records help to assure this continuity. Records, then are supposed to be of a permanent nature, not all records are necessarily useful for a very long time. Some records are temporary and have a short life span. With a long duration of time, however, records need to be disposed off in the office when they no more serve useful purposes in the operations of the organization. The following methods can be to handle the disposal of files or records.

- (a) ***Thinning Down Method***
This method involves the limiting of the number of records in a file. A standard file is not supposed to contain more than a hundred records. Beyond this number, a new volume of the file should be opened and marked 'Vol. 2' with the original file marked 'Vol. 1'. The new file bears the same number and/or title of the original file.
- (b) ***Transfer of Documents to Archives***
Documents of historic value and thus national interest are by practice sent to the archives as they have become inactive to the organization. Records of inactive nature may also be transferred from active to inactive files periodically to allow for the operation of the active file only.
- (c) ***Destruction of Files***
Records which no more play any significant role are usually destroyed after being inactive for about two years and above. Such destruction is done with permission of relevant officers and, in the case of public records, the permission of the controller of the National Archives. The transit cards of such files should record the actions taken regarding the files.
- (d) ***Microfilming***
Microfilming is a photographic process of records or documents, meant to be kept for a long period of time or for many years. Ordinarily, records of important nature could be microfilmed for preservation.

- (e) ***Shredding***
This is an electrically powered machine used for shredding documents in lines of very thin pieces.
- (f) ***Burning***
Files containing obsolete documents can also be destroyed by fire.
- (g) ***Chemicals***
Document may be destroyed by pouring chemicals on such documents or files to deface their contents.

Self Assessment Exercise

1. Define records management in line with your understanding.
2. What is the role played by effective records management to the success of an organization?
3. Enlist the principles that guide managers to manage information effectively.
4. What is a staff appraisal record?
5. In one sentence, why do you think records are important to a business organization?
6. At what stage in the life span of a record should it be disposed off?

Answers to Self Assessment Exercise

1. Records management is the generation preservation, control, retrieval, distribution and disposal of business records.
2. Effective records management enables an organization to solve management problems.
3. The principles that guide managers toward effective classification and retrievability considerations.
4. A staff appraisal record is the record that appraises the performance of a worker within a business calendar year vis-à-vis productivity, promotion, training, and some other information affecting the staff.
5. Records are important to a business organization because they determine its continuity and survival.
6. A record should be disposed off by an organization when it no more serves a useful purpose in its operations.

4.0 CONCLUSION

Records management is quite an important and vital aspect of overall organizational management. The success of records management depends on professional handling.

5.0 SUMMARY

Records management is an integral part of organizational management. It is a basic determinant of organizational continuity as well as a solid data base and reservoir for office information for planning and decision making. Its handling should, of course, have a professional touch in order to facilitate effective record storage and access for efficient utilization.

6.0 TUTOR MARKED ASSIGNMENT (TMA)

What in your opinion makes record management an important factor in organizational administration, considering as well those factors that would guide you in handling these activities.

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UNIT 4 FORMS DESIGN AND CONTROL

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Body
 - 3.1 From Design - Meaning
 - 3.2 Classification of Forms
 - 3.3 Purpose or Reasons for Forms Design
 - 3.4 Principles Guiding Forms Designs
 - 3.5 Forms Control
 - 3.6 Reasons for Forms Control
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment (TMA)
- 7.0 Reference

1.0 INTRODUCTION

The typical business organization makes use of various forms to record data to transmit information and stored for reference purposes. This means that office forms are purpose-built to meet specific and multifarious organizational needs. They are used to record information of a routine nature and in faster information of a routine nature and in a faster manner. The forms serve both restrictive or departmental and organization-wide purposes. Information regarding employees generally are regarded as organization-wide while those peculiar to departments, sections or division, are regarded as departmental. They are multifarious because the different department in the organization design forms to meet their peculiar requirements.

2.0 OBJECTIVES

The focus of this unit is to apprise the learner about the need and essence of the various office forms that exist in the business office which cater for data recording, transmission, utilization and storage of various office information. Students are expected also to be able to appreciate the guiding principles of forms design as well as the need to control their administration.

3.0 THE MAIN BODY

3.1 Forms Design - Meaning

An office form is created by the office. It is a designed standardized format to track or record data. It is a typed or printed piece of paper on card or other such materials with blank-spaces where the required information or data is inserted. The general format of the forms look similar but their designs differ even from office to office within the same organization because of their different functional operations.

Each organization is expected to design its forms in accordance with its functional operating system in order to make them much more efficient and effective. In other words, if the design of a form is not compatible with the functional operating system of the office, the purpose for which they are introduced becomes impaired. To avoid this sort of situation, many organizations employ the services of professional form designer outfits. Some common well

known business delivery note, advice note, way bill, stock requisition, purchase requisition tax form, payment voucher, withdrawal voucher, and a myriad of many others.

Some fundamental information are required as a prelude to designing a typical office or business form, such as enlisted below:

- (a) Purpose of the form
- (b) The quantity required of the form in order to determine or know the type of equipment to be used.
- (c) Relationship between a new and old or previous form.
- (d) Retainance period so as to determine appropriate paper quality to be used.

The above conditions are very important to be met in order to avoid wastage or misappropriation of scarce organizational resources.

3.2 Classification of Forms

To aid effective and efficient administration, office forms are often designed in classified divisions. Two main classifications are often made, viz; internal office forms and outside contact forms.

- (a) **Internal Office Forms** imply forms designed purely for use within the organization to fast-track handling of internal paper work. Ledgers, requisition forms, clocking card, etc. are good examples.
- (b) **External Contact Forms:** Also known as Outside contact forms, they are produced to facilitate or consummate business dealings with corporate clients as well as individual customers by an organization. Examples are proforma invoices, sales invoices, quotations, cheques, credit/debit notes, etc.

3.3 Purpose or Reason for Forms Design

Forms are universal phenomena in the global business world. The basic reason for their usage is to have a record of standardized data cum information for future use. The followings count amongst other reasons for which they are made.

- (a) To quicken or expedite clerical work
- (b) To reduce cost of clerical work
- (c) To obtain specific data on subject matters
- (d) To codify information, i.e. to represent long written information in form of figures or symbols. E.g. the computer sheet of WAEC or JAMB
- (e) To maximize clerical errors
- (f) To systemize or organize information in a methodical manner
- (g) To save clients or customers time
- (h) To quicken effective decision making
- (i) To simplify identification of records as well as facilitate storage and
- (j) To aid prompt date of analysis retrieval of documents

3.4 Principles Guiding Forms Design

In order to design effective or functional forms, designers are often guided by the following factors or principles:-

- (a) Identification – A form should have a title or reference which clearly describes its functions to give a unique identification.
- (b) Instruction – Specific and mandatory instructions (on copies capital letters etc) about filling the form should be given.
- (c) Sequence of items – Items/questions/statements contained in the forms should be in sequence to facilitate understanding and processing.
- (d) Optimum space – Enough or adequate space should be given for the quantum or volume of information required.
- (e) Analysis – The mode of analyzing the information (manual or mechanical) should or influence in the designs of the form.
- (f) Paper Quality – Organizational image life spans durability, handling frequency, and affordability are factors to influence the choice of paper.
- (g) Language – Where the form is required for international usage, different language factors should go into its designing. Different levels or classes of users should influence choice of simplicity of language.
- (h) Appearance/Layout – Appearance of the form should be attractive enough to boost organizational image. Layout should equally be attractive, orderly and logical.
- (i) Purpose or Relevance – Contents of the form should adequately both its purpose and relevance.
- (j) Standardization – Design of forms should conform with prescribed standards where required to ensure functionality and cost effectiveness.

3.5 Reasons for Forms Control

Business forms, indeed, play quite an important role in the management of data and information in the office. It is also important that their usage be scrutinized under careful surveillance and control in order to avoid abuse. Generally, their control becomes necessary owing to the following reasons:

- (a) To ensure that the quantum of forms is reduced to the barest minimum.
- (b) To ensure that forms are not duplicated in order to avoid wastage and cut cost.
- (c) To ensure the design of functional/efficient forms.
- (d) To forestall the development of unnecessary forms.
- (e) To discard or eliminate forms which no longer serve optimal purposes.
- (f) To afford opportunity of continued reviews of existing form.
- (g) To restrict them from unauthorized access.

Self Assessment Exercise

1. What is a business form?
2. What is the major purpose of its creation?
3. Among organizations or even intra-organisations the format of businesses forms are similar but their structural designs differ. Why is this so?
4. What in your opinion is an organisation's reason for using business forms?
5. What is an external business contract form?
6. What is the essence for the control of business forms?

Answers to Self Assessment Exercise

1. A business form is a printed and standardized purpose-built record format for tracking or capturing raw data required for business operation.
2. The major purpose of form creation is to generate, treat and transit information and stored for reference purposes.
3. The structural of business forms differ from intra and inter-organisations because they are purpose-built to meet different needs requirement.
4. In my opinion, an organisation's reason for the usage of business forms is to provide standard data or information for future use.
5. An external business contact form, also called outside contact form, is designed and used to facilitate or perfect business dealings with individuals or corporate clients (customers) by an organization.
- 6.

4.0 CONCLUSION

Business or office forms are necessary tools for the recording preservation and provision of data and information. They are special useful in providing ready information to aid the making of decisions at all levels of the organizations hierarchy. Despite their usefulness, there is need to guide and guard their usage for effective management.

5.0 SUMMARY

Office forms indispensable usage in recording and preservation of new data and information for organizational usage. Classification and purposes for their introduction into the business office have been duly highlighted. Equally noted were the guiding principles for their design as well as the essence for safeguarding the various uses into which they are put.

6.0 TUTOR MARKED ASSIGNMENT (TMA)

Critically examine the introduction of business into the management of information in the typical business organization.

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MODULE THREE TELECOMMUNICATION SERVICES, OFFICE MACHINES AND COMMUNICATION IN THE BUSINESS OFFICE

Unit 1	Post and Telecommunication Services
Unit 2	Office Equipment/Machines
Unit 3	Office Communication

UNIT 1: POST AND TELECOMMUNICATION SERVICES

1.0	Introduction
2.0	Objectives
3.0	Main Body
3.1	The Nipost
3.2	Classification
3.2.1	Inland Postal Services
3.2.2	International Postal Services
3.2.3	Remittance Services
3.3	Telecommunication Services
3.3.1	Telephone services
3.3.2	Telex Services
3.3.3	Cellular Radio Systems
4.0	Conclusion
5.0	Summary
6.0	Tutor Marked Assignment
7.0	References

1.0 INTRODUCTION

This unit comprises of two parts. The first part highlights the services provided by the Nigerian Postal Services (NIPOST), whilst the second part enumerates the telecommunication services provided by the Nigerian Telecommunications Limited (NITEL). The two outfits are mainly communication service delivery organizations and are hence joined together as a unit for the purpose of convenience.

2.0 OBJECTIVES

The main objective of this unit is to create awareness in students of the services being provided by the two main organizations meant to regulate the operations of post and telecommunication services in Nigeria.

3.0 MAIN BODY

3.1 The Nigerian Postal Services (Nipost)

The NIPOST is an autonomous arm of the federal ministry of communications. It is charged with the responsibility of regulating postal services as well as the operation of courier service companies internally and externally.

Courier Service companies are private-entrepreneur organizations focusing mainly on courier services, whilst Nipost is a government parastatals and provides a bulk of internal and external postal services.

3.2 Classification of Nipost Services

The overall services provided by Nipost fall into three main groups. These are:-

- Inland Postal Services
- International Postal Services
- Financial or Remittance Services.

3.2.1 Inland Postal services

The internal services provided by Nipost cover delivery of letters, post cards printed papers and parcels within the country. Charges for services are not fixed but vary periodically in accordance with regulation dictates. The following services are covered by the internal delivery:-

- (a) **Ordinary Mails:** Letters, parcels, postcards and newspapers/magazines and journals belong to this group.
 - (i) **Letters** are carried with stamps of relevant denominations affixed on them denoting charges for services delivery.
 - (ii) **Parcels** are treated like courier services for Nipost charges cost in accordance with distance destinations.
 - (iii) **Postcards** – These are open mails and attract lesser value of postage stamps. Postcards are used to send messages at festive periods and to acknowledge receipt of applications or enquiries.
 - (iv) **Newspapers** (dailies, magazines and journals etc) are posted at reduced charges provided the document is exposed and not fully covered or wrapped. If fully wrapped, they cannot be regarded as falling into this group and are treated differently.
- (b) **Registered Letters and Parcels:** A registered letter or parcel is affixed with a registration label on the envelope (ruled vertically and horizontally) which sender as well as the addressee. On completion of the formalized process, a receipt evidencing the transaction is normally issued to the sender. Items (i-iv) above can be turned to registered mails by preference.
- (c) **Expedited Mail Services (EMS):** This is also known as Speed Post or Express Delivery Service and is operated like the private courier service. Letters, parcels and goods are covered by the service. The sender is required to fill a form with details of name/address of sender and addressee, postage date, receiving post office and item(s) being sent. The recipient of an EMS package must sign an Advice or Delivery Form as evidence of delivery and receipt. A more than normal rate is paid for this service.
- (d) **Cash on Delivery (COD) System:** The Service provides for goods and parcels to be sent through the post office which collects the cost of the goods on behalf of the sender. Service cost is charged based on the cost of the goods sent. This service is enjoyed mainly by commercial customers who procure the service by registration with the post office.
- (e) **Poste Restante Service:** The Chambers 20th Dictionary describes this as a department of a post office where letters are kept till called for. It is usually regarded a post-office service provided for travelers, without fixed addresses, on behalf of which the

post-office hold such letters for owners pending when they go to the post office to claim their letters, subject to adequate proof of identity.

- (f) ***Service for Private Boxes and Bags:*** A private post office box or private mail bag can be procured on rental basis by individuals or corporate bodies to serve their postal communication needs. Both are operated with duplicate keys by the owners and the main key left with the post office. They provide customized privacy and safety for owners as their main advantage.

3.2.2 International Postal Services

Nipost services rendered within the borders of a country that is, (inland services) are also extended to overseas countries. The inland and overseas services are thus similar but with a few exceptions regarding overseas services. This means that letters and parcels can be sent or posted to overseas by surface mail or air mail. The following services are provided by Nipost externally:-

- (a) ***Surface Mail Service:*** These are letters and parcels or correspondence sent to overseas countries by other means rather than by air. Charges for this service are slightly lower and take longer time to accomplish delivery.
- (b) ***Air Mail Service:*** This service covers correspondence transported mainly by air. They are faster in delivery with slightly higher costs. All such letters/parcels must be affixed with a label, reading “by air mail” or “par avion” and are so separated from source or point of postage.
- (b) ***Overseas Small Packet Service:*** This service provides for posting of small-sized pockets which must bear the name and address of the sender and must be clearly “Small Packet”. Such packets are usually wrapped in a manner that allows for easy examination charges are made as per gramme-weight of items
- (c) ***Customers Declaration Service:*** Customers sending postal packets overseas are required to fill complete the customs declaration form, stating quantity, description, weight, value and the destination of the goods. Disposal instructions are often required to guide service delivery.
- (d) ***International Reply Coupon Service:*** This coupon enables a client to prepay for the reply to his correspondence. Each coupon is charged against a percentage of the standard postal rate. The coupon’s rate can be exchanged for postage stamps of similar value in any country which is a member of the Universal Postal Union (UPU).
- (e) ***Reply Paid Service:*** Any beneficiary of this service must apply and obtain a licence from the post office. This licence enables the customer to obtain replies to his inquiries (letters) without prepaying for such replies. In other words, the service absorbs the customer of the cost of postage.
- (f) ***Insurance Service:*** This service is available for international mail only. With an agreed charge, the post office provides insurance coverage as an extra security measure for posted items.

3.2.3 Remittance Services

This is a monetary service. The service helps or avails the customer to send money through the post office to beneficiaries without the use of physical bank notes or cash. The service is provided by means of: -

(a) **Postal Order**

This is a means by which money is sent through the post office by conversion of cash into Postal Order. The required value of Postal Order is purchased with the value of the amount involved (to be sent). Details of the transaction are filled in the Postal Order with a corresponding duplicate, called counterfoil, normally kept by the sender. Like a cheque, the Postal Order may or may not be crossed. If crossed, however, it can only be paid into a bank account by the recipient to convert to cash.

A charge, known as pondage is made on each copy or number of Postal Orders purchased. This is an inland service.

(b) **Money Order**

A money order is a request or an order for money deposited in one post-office by the sender and payable by another to the receiver. In other words, the Post Office sells money order on request. Money Order is used in paying a higher amount of money than the Postal Order. The sum or amount to be sent is paid at the counter of a post office in exchange of same value of the money order which is then transmitted to the payee through a receiving post office, which in turn informs the payee through a slip. The payee fills and signs the slip and present it for payment at the post office counter. A money order may or may not be crossed; if crossed, like a cheque, it must be paid into bank account to be converted to cash.

(c) **The National-Giro Service**

Otherwise called a Post Office Savings Bank previously and later, the Federal Savings Bank, enables beneficiaries or users to have account facilities for payments into and withdrawals from accounts in any part of the branch or post office in any part of the country.

Self Assessment Exercise 1

1. What is the purpose of creating the Nigerian service organization?
2. Enumerate the major classifications of NIPOST services.
3. Which groups of postal items fall within the internal delivery service of Nipost?
4. What is the meaning of EMS? How does it evidence its service delivery?
5. What is a surface delivery?
6. What is a remittance service? Identify the types of remittance services department of Nipost.
7. Spot the main difference between a postal and money order.

Answers to Self Assessment Exercise 1

1. NIPOST is created to serve as a regulatory and administrative body for postal services as well as to oversee the operations of courier companies internally and externally.
2. NIPOST services are classified into three major groups as enlisted below:
 - (a) Inland Postal Services

- (b) International Postal Services
- (c) Financial or Remittance Services
- 3. The groups of postal items which fall within the internal delivery services of NIPOST are: letters, parcels, postcards and newspapers.
- 4. EMS, otherwise known as Speed Post, means Expedited Mail Services. It evidences its service delivery by obtaining a duly filled Advance or Delivery, form from recipients at the point of delivery.
- 5. A surface mail a letter or parcel sent to overseas countries by other carriage means as against by air.
- 6. A remittance service is a courier financial or monetary service rendered by NIPOST on behalf of its various customers. The International Postal Service department of NIPOST rendered the underlisted remittance services:
 - (a) Postal Order Service
 - (b) Money Order Service
 - (c) The National Giro Service
- 7. Postal and Money Orders are both paper money convertible to commensurate values of cash but are structurally different in their face format. However, money order is preferable for remittances involving large sums than the postal order.

3.3 Telecommunication Services

Telecommunication simply means the transmission of verbal, written, coded or pictorial information via the telephone, telegraph, cable, radio and television. The scientific nature of such a communication is what is referred to as telecommunication.

The Nigerian Telecommunications Limited (NITEL) is the body responsible for providing telecommunication services in and outside Nigeria. Two types of services are provided, viz, (a) the traditional telephone services and (b) the emerging role of IT services. NITEL provides a number of traditional telephone services which includes:

(a) Telephone Services

The telephone provides both local and international verbal communication services. It is a fast-time executor and saves considerable costs. The use of which it is put internally or externally, determines the type of equipment to be used. The office telephone is operated through a switchboard which links all local or international sections or departments of an organization. Switchboards are of different types e.g. the PBX (Private Branch Exchange), STD (Subscribers Trunk Dialing), and PABX (Private Automatic Branch Exchange).

- (i) ***The Private Branch Exchange (PBX):*** This is indeed another name for the INTERCOM system whereby a switchboard connects all internal sections of an organization with an operation channeling calls on behalf of the staff of the organization. The user may, of course, bypass the switchboard operator to make internal connections directly.
- (ii) ***Subscribers Trunk Dialing (STD):*** This STD system uses a switchboard exchange manned by an Exchange Operator. The operator channels both outgoing and incoming calls of the various users. Users can directly access the switchboard to make trunk calls as may be desired without the Exchange Operators intervention. The STD system evolved the use of code numbers in identifying various telephone exchanges. Through the use of equipment known as “GRACE” (Group Routine and Changing

equipment) direct external callers can safely eliminate the services of the operator. However, direct connections to the GRACE are made first dialing zero (0) and the code required.

- (iii) ***Private Automatic Branch Exchange (PABX):*** This system uses an electronic equipment which provides many services to an infinite number of extensions. It is the most modern switchboard equipment innovation and it allows for.
 - (a) Receipt of incoming calls to be routed or connected to appropriate extension by the operator.
 - (b) Direct external access by callers from any of the extensions by dialing '1' or '0' for dialing tone to make calls, thereby bypassing the operator.
 - (c) Direct access link to all internal extensions without recourse to the switchboard operator.
- (iv) ***IDD Telephone Service:*** International Direct Dialing (IDD) is a telephone facility aided by the development of satellite and is the most popular medium of communication systems the world over. IDD is an international telephone service which enables business organisations to make telephone contacts outside any given country directly.

Note: The telephone facilities and services enlisted above are first generation or traditional ones and their roles are indeed fast becoming obsolete or outdated because of emerging technological innovation.

Explosion of Information technology has indeed pushed forward emerging roles of telecommunication services globally. This trend provides the following telecommunication services which now takes the centre stage of the telecom system.

- (a) **IP Wholesale Service**
This service or system provides a guaranteed bandwidth global Internet using the NITEL IP Gateway located in Lagos. The Gateway is connected via the ST-3 cable to the global Internet which enable users to access a broad range of clientele who are increasing deploying Internet services as a platform for a networked global economy. The IP Wholesale service enable companies to receive, process, share and store information within a very short time in a matter of seconds.
- (b) **Asymmetric Data Subscriber Line**
The ADS works by splitting digital telephone signal into two, one for voice and the other for data. This means that a subscriber or user can talk on the internet simultaneously.
- (c) **Prepaid Wireless Telephone**
Known as Code Division Digital Multiple Access System 20000IX (CDMA), it is a new product introduced by NITEL to service its numerous customers as a pilot project.
- (d) **Biznet Services**
Introduced in 1993 by Nitel, the Nigeria's Biznet system is a Satellite Communication Network meant basically to serve the needs of some oil companies, operating within

the country, as a private lease satellite network. This service enables users to communicate with their various inland and offshore rigs remote locations.

(e) **V-Sat Services**

This is a satellite service system that uses small satellite dishes for communication and transmission of voice/data and video conferencing. The video conferencing service enables users to hold meetings from different locations by seeing, hearing and discussion among themselves through television or computer screens. It is a cost-effective and usually customized service which required in locations where general telephone communications services are not available.

(f) **International Mobile Satellite Organization (IMARSAT)**

Imarsat is a global Mobile Satellite Communication Service meant to service specific areas in Banking, Petroleum, Aviation, Marine, Land (Railway) and other transportations.

(g) **Broad-Cast Services**

This is a telecast (television broadcast) service which allows relaying of line and direct programmes. It is a service provided by Nitel/private cum public television stations partnership and. Telecast transmissions cover both national and international events like sports conferences presidential visits, etc.

(h) **Voice Cast**

Voice cast service is provided by Nitel in collaboration with radio stations. It works through the application of telephone channel for the reception of voice or sound to or from local and foreign press offices, information services and broadcast organisations.

(i) **Voice Over Internet**

This service is provider by Internet Providers and they bear the overhead costs. Internet Service Providers (ISPs) link up with the Super Highway Nitel Installed Internet Gateway connected with all the necessary internet backbone infrastructure. The internet service links computers into a huge international network that enables users to share and data and information distribution.

(j) **Leased Line**

This is a point-leased lined by which a subscribers are connected via cable from location to another. The service is used for transmission of data, voice, video, Internet and so on.

(k) **SAT-3 Service**

This service links Europe, West Africa and South East via Southern Africa and Indian Ocean by a high capacity optical fibre submarine. The driving purpose is to evolve mutual operation among the above territories or through telecommunications transmission services. It came about through a mutually agreed and signed Memorandum of Understanding. The transmission is linked to what is called the SAT-3/WASC/SAFE cable project.

(l) **Prepaid Service**

This is akin to the Global System for Mobile Telecommunications (GSM) service. It is a fixed line telephone which links users through unique access codes. It is operated by crediting the telephone line with a charge card of different denomination values. Any value of the denomination is purchased (hence, prepaid), and credited to the users line through a general credit access code. This means that card is charged and not the line, and thus prevents tapping or diversion of lines.

The system provides a lot of user advantages.: it is portable, customized, the SIM card has a transferable usage, while calls can be received with the credit already exhausted.

Other Telecommunication Facilities

There are a numerous other telecommunication facilities in use apart from the ones listed above. Some of such facilities are enlisted below:

(a) ***Cellular Radio System***

The Cellular system comprises of a number of Mobile Radio Base stations designed by Nitel to provide radio coverage. This is a complement facility to meet the demand of the fast growing telecommunications and information technologies. It can serve the interest of individuals, commercial entrepreneurs and government agencies. It is reliable, convenient, durable, portable and facilitates easy movement whilst still keeping in touch with any telephone subscriber. The following services fall under the cellular radio system.

- (i) *Can Mobile*: This is affixed to the car and functions with the car in use.
- (ii) *Transportables*: These are high powered cellular phones that have a unique mobility advantage because it can be carried to anywhere.
- (iii) *Hand Portables*: These are the most common cellular phones; they are light and compactly built and can be pocketed on hold by hand.

(b) ***Radiophones***

Radiophones are wireless sets used between various locations. This means that a message relayed by one phone has automatic reception by all other sets in different locations within the territory of communication.

(c) ***Telegram***

This is a written message sent to a person by another through telegraph. A telegraph is a combination of apparatus (machine) for sending information or message to a distance via electrical impulses. Charges made for this service are dependent on the number of words used. This means that charges are graduated upwards as the number of words increase. The following points guide the sending of a telegram.

- (i) The message must be brief but complete in material details.
- (ii) Punctuation marks should be used sparingly.
- (iii) Figures should be clearly written but are best written in words.
- (iv) The message must be written in capital letters.
- (v) Single words are preferred to phrases or clauses.
- (vi) Particulars of sender and addressee must be stated fully.

(d) ***Telex Services***

Telex is rendered by means of a teleprinter. A teleprinter is a machine with a typewriter-face semblance for sending and receiving urgent messages in coded form over telegraph or telephone line. The message sent on one teleprinter is instantly received at another end on a similar machine. The service can be made available on twenty-four hours basis provided the machines are not switched off. Telex services are of different forms.

- (i) *Facsimile Telegraphs*: This is a process by which drawings, pictures, written matter and other graphic messages can be sent. As the material to be sent or transmitted is fed into the sending machine it automatically activates the receiving machine to receive the message. The process involves the scanning of the document by a light beam through which signals are reconverted at the other end to produce the facsimile copy.
- (ii) *Telecast*: This involves the transmission and reception of television programmes or broadcast from main to sub-stations or from a channel to subsidiary channels through satellite.
- (iii) *Satellite Mobile Communication*: This system involves transmission between ships on-shore or off-shore, aircraft and land based stations through the mobile system. Satellite communication provides some modern telecommunications services which could not be otherwise provided over conventional radio communication system. By this system a company's data base can be accessed and computer systems can be used to ship engines.
- (iv) *Alternative Voice Data (AVD) Circuit*: This is a voice/data service that can serve all purposes involving a high speed transfer or transmission of data to all parts of the world. It is especially useful to organisations that have a large volume of data to transmit or access their databanks in foreign locations or other countries.
- (v) *Electronic Mail Service*: By this service messages can be communicated in visual verifiable text on the display screen on computer terminals. It is a quite an efficient and an alternative to the voice service. Users can receive and transmit information through personal computers so designed to communicate with the system.

Self Assessment Exercise 2

1. What is telecommunication? What are its various media for transmission? Why was its means of message transmission called telecommunication?
2. What is the role of the switchboard as a telephone service provider?
3. What are the meanings and functions of the acronyms – PBX, STD and PABX?
4. Distinguish between V-SAT and IMARSAT.
5. What is a telex service? Name three types of telex service providers.

Answers to Self Assessment Exercise 2

1. Telecommunication is a means of transmission of oral, written or pictorial messages from one place to another. Telecommunication is so called because of the scientific nature of its operation.
2. The switchboard provides a linkage access for local and international telephone services.
3. Meanings and functions of the acronyms:
PBX: **Private Branch Exchange.** It is a switchboard connected intercom service linking the staff of an organisation.
STD: **Subscribers Trunk Dialing:** This is indeed a switchboard service with a switchboard operator linking or channeling telephone calls on behalf of the staff of an organisation.
PABX: **Private Automatic Branch Exchange.** This is also a switchboard service provider with capacity to service an infinite number of extensions.
4. V-SAT is a satellite service system, a means of communication for transmission of voice/data and video conferencing through small satellite dishes.
IMARSAT is a global satellite communication service provided by International Mobile Satellite Organisation (IMARSAT) to service specific areas in banking, petroleum, aviation, marine and land (railway) transportations. What distinguish the two is the capacity and the area specificness of services provided.
5. A telex service is a means of communication between organizations via machines, called a teleprinter.

4.0 CONCLUSION

Much has indeed been said about postal and telephone telecommunication services provided by NIPOST and NITEL. The services enumerated above are not exhaustive. Technological innovations are fast incoming and may render some of the highlighted services obsolete with new ones in their place.

Thus, the student is enjoined to seek for update of knowledge in this regard to keep abreast of time.

5.0 SUMMARY

Postal, telephone and telecommunication services have all combined to give impetus and facilitation to global information dissemination and communication generally. It is important to note that the speed and essence of modern communication has reduced the globe to be like a small market place as effective communication opens up the nooks and crannies of the world. Technological innovations are on-going and which, at best, can only result in improved and more efficient communication systems the world over

6.0 TUTOR MARKED ASSIGNMENT (TMA)

Access the extent or level of input of Telecommunication services to the effectiveness and efficiency of global communication generally.

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UNIT 2: OFFICE EQUIPMENT/MACHINES

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Body
 - 3.1 What are Office Machines
 - 3.2 Purchase Guides of office Machines
 - 3.3 Advantages of Usage
 - 3.4 Disadvantages of usage
 - 3.5 Types of Office machines
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Inter Marked Assignment (IMA)
- 7.0 References

1.0 INTRODUCTION

The words machine and equipment, in relation to the business office, are used interchangeably. That is, one word is used as a substitute of the other. However, in technical terms, machines are engine powered to serve as motion drive, while equipment fall under office tools that are not powered by engines. Some equipment are, of course, structured with some mechanical powering to stimulate or facilitate friction or movement upon operation. Their role is to facilitate activities towards maximum production.

2.0 OBJECTIVES

The unit aims at introducing students to the usage of office machine types, benefits derivable and problems encountered in usage. Students would also be able to appreciate factors which may guide or determine the purchase of office equipment and machines.

3.0 MAIN BODY

3.1 What are office machines?

All office tools fall within the realm of office equipment. Office equipment are a collectivity of office machinery and tools or instruments meant to aid the performance of office functions or activities. Several sizes and makes (ranging from small, medium and giant machines) of equipment are procured into office usage. Either operated by hand (manually), electronically or mechanically, they are meant to provide ease, efficiency and increase the productivity level of office activities. Note that filing and mail room equipment treated in earlier units above, fall within the category of office equipment.

3.2 Guide to purchase of office Machines

The factors enlisted below serve as a guide generally for the purchase of office machines.

(a) Cost Saving

Cost incurable for acquisition, installation and maintenance should be weighed against available organizational resources.

(b) Need or Purpose

Short term or long term purposed and improvement of productivity and efficiency should determine need requirements.

(c) ***Operation Skill***

The machine should be capable of simple or easy operation. With a sophisticated machine, high skill of the operation is required and should be so trained before installation of the machine.

(d) ***Labour Saving***

The introduction of a new machine should be capable of saving time and labour which would in turn be expected in other areas.

(e) ***Efficiency of Machine***

A very efficient machine is capable of maintaining standard performance (uniform quality) over a long period of time.

(f) ***Durability***

The life expectancy of a machine should guide the buyer's choice of models available as a requirement for durability.

(g) ***Availability of Spare Parts***

A guarantee by manufacturers or agents of availability of spare parts or components should aid choice of purchase.

(h) ***Work Volume***

The volume of work for which the machine is purchased should help to determine the right choice.

(i) ***Post Sales-service***

Favoured sales-terms that offer-sales service should be considered when making a preference.

3.3 Advantages of Usage

Application of machines to aid or assist human effort in performing office activities provides the following advantages to users:

- (i) **Speed:** Power-driven performance is speedier than manual effort.
- (ii) **Time Saver:** Machine operation saves time which amount to saving of costs or money.
- (iii) **Less fatigue:** Except where a breakdown occurs, machines are never fatigued like human beings and will forever enhance human productivity.
- (iv) **Productivity/Efficiency:** Machines would certainly raise the productivity (output) level of an organisation. They also perform at high efficiency and accuracy level than manual effort.
- (v) **Filing facility:** Diskettes can be used to store a great volume of information which is easily retrieved by means of the computer.
- (vi) **Storage-facility:** The computer provides a huge capacity of storage facility for myriads of office information.

- (vii) **Image Building:** Machines accurate, standard beat and efficient discharge of services can build goodwill for and promote an organization's public image.
- (viii) Relief from work monotony
- (ix) Prevention of fraud

3.4 Disadvantages of Usage

Merits and demerits are two inevitable sides of a coin; this is a metaphoric reference to the usefulness of office machines. Some disadvantages derivable from their usable are:

- (i) **Redundancy/Unemployment:** Emergence of the computer in the office realm reduces staff strength of organization. Redundancy and unemployment are direct results.
- (ii) **High Procurement cost:** Acquisition and installation of some machines require a large sum of money which small organization cannot afford.
- (iii) **High Maintenance Cost:** Constant use of machines requires frequent maintenance and servicing. The cost involved in repairs automatically increases production cost and price increases of end products of our organization.
- (iv) **Noise Distraction:** Some machines are highly noisy and may cause distractions to other staff that may require quietness to perform their functions.
- (v) **Health Hazard:** Highly noisy machines may impair heavy thing constituting a health hazard to workers.
- (vi) **Pollution:** Some machines may produce pollutants and this endangers the environment and human health.
- (vii) **Accident Proneness:** Some machines are highly accident prone in usage; and may cause permanent disability to victims.
- (viii) **Lack of skilled labour:** Some machines require very skilled operators and this may not be in constant supply. A sudden resignation or death of a skilled labour, may ground operations temporarily.
- (ix) **Depreciation:** High rate of machine depreciation as well recurrent expenses for stationery procurement reduces organizational profit.
- (x) **Obsolescence:** Special obsolescence models of office technological innovations hits the market often renders old models obsolescence and requires higher replacement costs.

3.5 TYPES OF OFFICE MACHINES

Some machines commonly faced in business offices are listed below:

- (a) **The Typewriter:** This is a machine that writes on paper in a printed form when operated. It can be manually and electrically operated. The manual type ranges from the portable to the standard size in a fixed position for use always.

The electric typewriters are also of different types. There are the electric and the selectric. The major difference between the two types is that the former has permanently fixed keyboard characters with same appearance always, while the latter has rotary bulb characters with different type faces. Among the selectric type are electronics typewriters of different makes and they vary in functional differences. With the introduction of the word processor and computer typewriters are fast becoming obsolete.

- (b) **Word Processor:** This is an electronic device, made up of four parts in one – a keyboard, visual display unit (VDU), magnetic storage unit (MST) and a printer. It is an intermediary machine with an in-between capability of an electronic typewriter and the computer.
- (c) **Computer:** It is an electronic machine made up of three physical hard component, i.e., the keyboard, the hard disk (processor) and the visual display unit (VDU) and when connected to a printer, can be primed or instructed to produce physical or hard copies of documents. It is produced in sizes varying from micro, main and mainframe and super computer. Its main advantage is its speedy processing of documents storage device and ability to remove or edit texts or documents as well as its multifaceted fonts or type characters.
- (d) **Duplicator:** This is of two types: ink and spirit duplicators.
 - (i) **Ink Duplicator:** This type uses stencils but cut on typewriter or handwritten or with a styles pen and get reproduced final documents. A special stencil can be prepared through scanning to transfer contents of original document to the stencil, in order to duplicate more copies. About five thousand copies of a document can be produced on one stencil at a time and same can still be kept for future use.
 - (ii) **Spirit Duplicate:** A special master sheet is need for copying typewritten, handwritten or drawings which get reproduced on this machine. It can get copies of documents produced in different or several colours, but is best for producing lesser numbers of copies.
- (e) **Photocopying machine:** This is an electronic machine structured to photocopy or reproduce documents. It is so called because the photocopy looks exactly like the original copy. There are black and white as well as colour copiers.
- (f) **Adding/Listing Machine:** Adding Machine is either manually or electrically operated. Different makes with varying degree of sophistication are avoidable. It consists of a typewriter like keyboard attached to a roll of paper on which calculation outputs are printed. Figures are punched on to the machine and get processed with the results appearing on the accompanying tally roll.
- (g) **Accounting Machine:** Also called book-keeping machine, it is available in many varieties. Most of the models are capable of speedy processing entries and give balances simultaneously, with least minimum of errors, if any at all. This means that entries of different account are automatically balanced thus avoiding delays and oversights in preparation of monthly figures.

- (h) **Calculating Machine:** Two main types of flat and rotary makes are avoidable. Both are primed to effect addition, subtraction, multiplication and division functions. There's a printer's version called printing calculation which is electronically operated are automatically adds, subtractions, multiplies and divides and prints the result or a tally roll. It is equipped with error-correction and repeat keys and is capable of calculating discounts, percentages, currency conversion, gross pay calculations, etc.
- (i) **Electronic Cash Register:** This is a piece of modern electronic equipment which is versatile and reliable in handling heavy cash operations. Amounts are recorded by touch depression of numbered keys with result given on the machine itself and on a printed listing each item. Some models are also equipped with memory devices to protect inputs during power outages with separate keys for contingencies such as money received and returned goods on an account.
- (j) **Dictaphone:** This is an electronic machine which records speeches through various recording media e.g. Tape. On play back, the recorded speech can then be rendered in written form. It is a necessary device for secretaries typists and reporters.
- (k) **Cheque writing Machine:** This is specifically designed to write on cheques with unalterable impressions to guard against forgery.
- (l) **Fax Machine:** This is meant for transmitting facsimile copies of documents by electronic means from one place to another. Fax machine is primed to produce automatically the exact copy of any document transmitted in words or picture forms.
- (m) **Telex Machine:** It is meant to send typewritten messages only. When activated at one end, the receiving machine automatically produces a similar copy of the document. Unlike the fax machine, signatures, maps, photographs cannot be transmitted by telex.

Self Assessment Exercise

1. What role does office equipment play in the function discharge of the office worker?
2. What is the notable difference between the words machine and equipment?
3. What do we mean by the following:
 - (a) Depreciation and
 - (b) Obsolescence?
4. What do we mean by redundancy/unemployment in office?
5. What is the difference between an electric and a selectric typewriter?
6. What advantages are derivable from the use of a computer in the office?

Answers to Self Assessment Exercise

1. Office equipment are meant to enhance the performance of office activities by adding ease, efficiency and increasing the level of productivity.
2. A machine is basically an energy-powered or power-driven piece of equipment, while an equipment (a collective name for machines and tools) has a structural mechanism which pressures it to work by some form of manual effort.

- 3a. In relation to office equipment, depreciation refers to the wear and tear to which an equipment is subjected in usage and hence has a reduced strength and value with the passage of time.
- b. Obsolescence refer to a piece of equipment that has lost its usefulness due either to out-modelling or becomes completely dysfunctional and has been put into disuse.
4. Redundancy in the office activity, a person is employed to perform ceases to exist and hence outlines the purpose of his employment and forced to take an exit. Conversely, unemployment describes a scenario where not work exists for a person to be engaged at all, in the first place.
5. They are electric typewriters but an electric typewriter has a permanent outlook of keyboard characters while a selectric typewriter has rotary bulbs of different characters from which choices of character difference or outlook can be made.
6. The advantages derivable from the use of a computer are: (a) its speed of work execution, (b) its large capacity of storage device (c) its ability to edit/correct documents (d) its ability to process figures mathematically and (e) choice of its multifaceted fonts.

4.0 CONCLUSION

The foregoings are just some of the common technological devices meant to assist the office worker in the performance of his functions. There are many more of such devices; however, each organization procures machines in accordance with its own peculiar line of business. This means that the whole lot of machine types cannot be found in one single office.

5.0 SUMMARY

Office machine are indeed very useful and important office accessories meant to assist the executive office activities. The major reason for their acquisition is to enhance workers, efforts towards improved or increased productivity. They are not ends in themselves. Hence acquisition must be matched with need. However, they move high overhead costs which depletes profit.

6.0 TUTOR MARKED ASSIGNMENT (TMA)

As an office manager what factors are likely to influence you in introducing office gadgets/machines in your organization?

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UNIT 3 COMMUNICATION

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Body
 - 3.1 Meaning of Communication
 - 3.2 Element of communication
 - 3.3 Channels of Communication
 - 3.4 Kinds of Communication
 - 3.4.1 Formal and Informal Communication
 - 3.4.2 Effective Communication
 - 3.5 Communication Barriers
 - 3.6 Office Communication Abbreviations
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assignments
- 7.0 References

1.0 INTRODUCTION

Man is a social being. He is a group entity and used to relate with other elements of the group. Social or group interaction creates and fosters understanding. Group understanding fosters harmonious or peaceful relationships which may result in the stability of the group. This type of environment radiates love and happiness and group cohesiveness, where knowledge and ideas are shared to widen individuals' and groups' horizons. This end is man's ultimate desire and communication is the use by which this desire is achieved.

2.0 OBJECTIVES

At the end of this unit, students would have learned or acquired knowledge of the followings:

- The subject matter of communication
- Element and channels of communication
- Types or kinds of communication
- Barriers to effective communication
- Business-related communication abbreviation

3.0 MAIN BODY

3.1 Meaning of Communication

This or more people communicate to interact. In interaction, they express views to which they give shared meanings to bring about understanding. The point of expression to the point of understanding, is a process – a movement along a continuum. The process is brought about by originated actions and re-actions which form the basis of interactions among the element at either end of the continuum. Understanding fostered by this two-way interaction completes the communication process. Thus, communication is a process of sending and receiving messages or showing ideas by so means between two or more persons.

In academics, the term communication has several definitions of which two or more may suffice for our purpose. Eyre (1983) says: “Communication is not just the giving of information, it is the giving of understandable information and receiving and understanding the message. Communication is the transforming of a message to another party so it can be understood and acted upon.”

Onasanya (1990) says that communication is “the passing of information from one person to another person or group of persons, in such a way that both sides understood the message being passed.

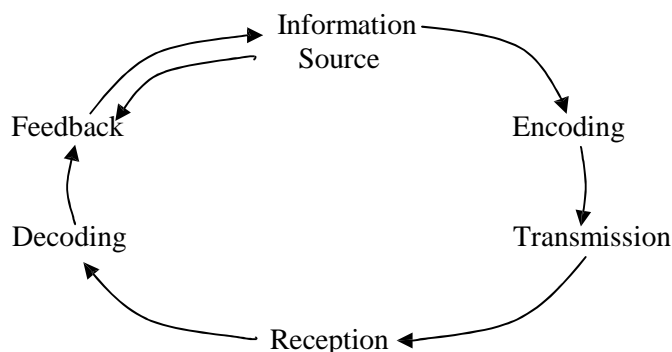
Apply (1987) defines communication as “the means whereby people in an organization exchange information regarding the operations of an enterprise; it is the exchange of ideas, facts and emotions by two or more persons by the use of words, letters and symbols.”

The above definitions ramify the subject matter of communication in both individual and organizational basis.

3.2 Elements of Communication

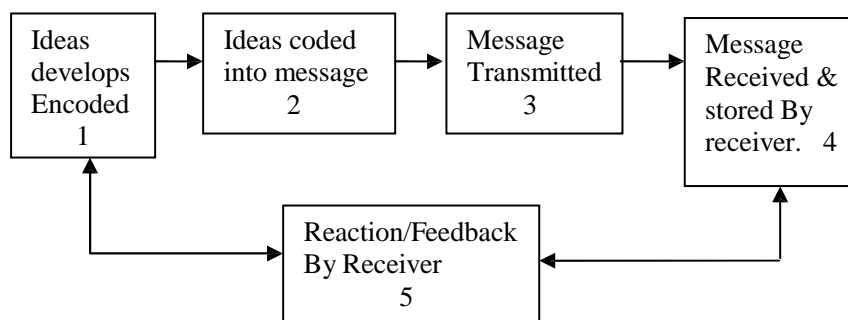
The key elements involved in the communication process can be seen from the diagrams below:

Diagram (A): The Communication Cycle



The above diagram shows communication cycle, depicting a two-way process.

Diagram (B) The Communication Process



In diagram (A) six elements are involved in the communication cycle, viz information source, encoding transmission, reception, decoding and feedback.

Information source – the person or originator of idea

Encoding – the idea is encoded (expressed) in some way

Transmission – putting the message across by speaking, writing, drawing or symbolic forms - the medium

Reception – This signifies that the person to whom the message sent has received it

Decoding – The receiver decodes the message by giving meaning to it according to his understanding and reacts to it.

Diagram (B) above shows a replication of diagram (A) in another format, hence the two diagrams simply painted the same picture in different colours or are saying the same thing in different ways.

Note: From the definitions and accompanying explanations above, three significant points stand out to be noted in the communication process, viz.

1. Communication involves two or more people.
2. Communication is a two-way exchange of information – two-way process (encoding & decoding).
3. Understanding is implied and it is critical.

3.3 Channels of Communication in an Office

The term “channels” can be explained simply as the means by which people communicate. This is quite different from the medium which refers to the form in which the sender puts the message e.g. oral, written, pictorial form, body language - the media. People interact in the office in an organized manner and, as a rule, communication patterns in an office move in organized directions. Three basic patterns of communication flow exist in the office as dictated by the tenets of employer/employee relationship. These are:

- (a) **Downward Communication:** This is a command or instructional channel by which superior officers pass on information to their subordinates. The aim is to inform lower level workers on plans policies, targets directives, instructions and order required to achieve set goals. It is a superior initiated communication.
- (b) **Upward Communication:** This is a subordinate – initiated process where junior workers give information to their superiors in form of answer to queries, seeking approval, giving progress reports, suggestions, etc. it is a means by which superiors receive feedback from subordinates.
- (c) **Horizontal Communication:** Also called lateral communication, it takes place between officers of the same rank within and across department in an organization.

This is purely an advisory type of communication to foster understanding and cooperation.

Self Assessment Exercise 1

1. In a nutshell, explain in your own words what you understand by communication.
2. Enlist the basic elements of the communication process.
3. Three key or significant points stand to be noted in any definition of communication, outline them.
4. Spot the difference between channel and medium of communication.
5. Identify the three basic patterns of communication flow in a typical office.

Answers to Self Assessment Exercise 1

1. Communication is a means by which information passes from one person to another, who receives and also acts upon it; hence it is exchange of ideas.
2. The basic elements involved in the communication process are: Sender, seconding (medium), channel (transmission), Receiver (decoding), and feedback.
3. Three significant points to be noted in any definition of communication are:
 - (a) Communication involves two or more people,
 - (b) It is a two-way process of exchange of ideas,
 - (c) Implied understanding.
4. A channel of communication implies the means or conveyer of carrier of the message passed, while the medium refers to the form in which the message is encoded for transmission either in written, oral or pictorial form.
5. The three basic patterns of communication flow in a typical office are:
 - (a) Downward pattern or trend
 - (b) Upward pattern or trend
 - (c) Horizontal pattern in trend.

3.4 Kinds of Office Communication

Office communication is generally classified under three major headings; and these are:

- (a) Written communication
- (b) Oral communication
- (c) Mechanical communication

Written Communication: Communication is said to be written when it is put across in writing in form of letters, memos, reports, minutes of meetings, agreements, manuals, bulletins, etc.

Oral Communication: This is a talk or verbal communication where expressions or discussions are not put into a written form. It takes the form of face to face or telephone discussions, conversations, debates, meetings, interviews, speeches, body language or signals, etc. This type of communication enhances a quick feed back process and better understanding and cooperation among workers.

Mechanical Communication

This form of communication takes place through mechanical gadgets meant for purpose of communication e.g. telex, television radio, facsimile telegraphy, teleprinter and pneumatic tubes. Pneumatic tubes communication is a phenomenon mainly in

developed countries. It is a means by which documents are transferred from one office to another through cylindrical pipes used to interconnect offices with an organization.

3.4.1 Formal and Informal Communication

Communication may be described as formal or informal.

- (i) **Formal Communication:** Communication is formed when it falls in line with an approved and standardized conduct of transacting the business of an office. It is also formal when authority is given through directives to carry out an action. Formal communication is, thus, the official method of communication adopted by an office (organization) to conduct its business. This means that formal communication falls in line with observance of the rules, processes and procedures of communication. Formal communication is mostly put in written form like letters, memoranda, bulletins minutes, etc. supported sanctioned by official directives.
- (ii) **Informal Communication:** Informal communication also carries the stamp of official authority. It arises when the business of an organization is carried out in an informal way that is when official conduct does not follow the rigorous process of formal communication. Informal communication usually is a face to face oral form. For instance, it is informal communication taken place when two or more people engage in a discussion of a personal and business nature at a social gathering. This is a chance meeting which does not follow the conduct of officialdom. Grapevine, gossip and rumor are types of informal communication channels which should not be discarded but managed to the advantage of the organization.

3.4.2 Effective Communication

Effective communication can be defined as a transmitted message that attracts a desired reaction. This means that the feedback from a message sent is in accordance with the intention of the sender. On the other hand, if the feedback from the receiver contrasts or differs as to contradict the intention of the sender then such a piece of communication is said to be ineffective. This, in effect, means that the sender has not communicated because his choice of words with which the message is encoded may have caused doubt and misunderstanding on its decoding by the receiver. Under such circumstances it is believed that effective communication has not taken place and that the sender has not communicated at all. However, effective communication is determined by the following features:

- (i) Familiar codes are used in encoding the message.
- (ii) Appropriate channel is used in sending the message.
- (iii) The message is received in its original form at the right time.
- (iv) The message is decoded (understood) in the same way as encoded.
- (v) The receiver reacts to the message by feedback to complete the two-way communication process.

3.5 Communication Barriers

There are factors that impede or hinder clear understanding of a communicated message to render it ineffective. Such factors are referred to as barriers to effective communication. They include:

- (a) **Lack of interest:** If the receiver has no interest on the subject of communication or has a sour relationship with the sender.
- (b) **Lack of trust:** This is a situation whereby the receiver or listener doubts the integrity of the speaker.
- (c) **Lack of planning:** Communication need be planned in line with what to say, how it should be said, choice of machines to be used and background of the receiver. Lack of such preparation may derail the import of the message.
- (d) **Physical barrier:** Noise within the environment or present in the channel like rain, storm, machine noise from music or factory or crowd may impair hearing to distort or affect content of message.
- (e) **Overload:** A message overload occurs when too many words or unnecessary repetition (tautology) of words are used in passing on a message. The listener may be distracted and may have a mix up.
- (f) **Bias:** This may occur in three ways. A listener may have bias opinion against the speaker, believing that he is negative minded against him. Secondly, when the listener believes that the speaker expresses a jaundiced opinion on a subject matter he (listener) knows about. Third, where the speaker underestimates the intelligence of knowledge of his audience, they surely would not make a meaning of his subject.
- (g) **Semantics:** This pertains to language barrier. It involves the use of a professional language to an unprofessional listener or audience, use of unpopular phrases, acronyms or abbreviations and slang that may not enjoy common shared-meanings.
- (h) **Distortion:** Information distortion occurs by a selective delivery of a message either by adding to or subtracting from it. Cutting off from or exaggeration causes communication distortion.
- (i) **Poor Education:** In both listening and speaking, a poorly educated audience or speaker may not communicate effectively.
- (j) **Inaccessibility:** Supremacy or power display breathes pride and makes some managers inaccessible; they create fear and feelings of disdain in their subordinates, who, in turn, would not be at ease to have effective relationships with their bosses. Effective communication suffers in such a scenario.

3.6 Office Communication Abbreviations

In business communication, commercial abbreviations find common usage globally by organisations. Some of these abbreviations are listed below:

Abbreviations	Meanings
a.b.c.	At back cover
a.f.c.	At front cover
A/S	Account sales

a.y.c.	At your convenience
b/f	Brought forward
B/L	Bill of Lading
b.u.	Bring up
cc	Carbon copy
c/f	Carried forward
c & f	Cost and freight
C.of O.	Certificate of Occupancy
c.i.f.&c	Cost insurance freight and commission.
D/N	Delivery Note
Et al	And others
f.f.a	For further action
F.I.	Financial instruction
f.i.n.a.	For information and necessary action
f.i.o.	For information only
f.n.a.	For necessary action
fol	Folio
f.o.b.	Free on board
f.y.c.	For your consideration
ibid	Ibidem (in the same place)
inst.	Instant i.e. this month
k.i.v.	Keep in view
L/C	Letter of Credit
LPC	Last Pay Certificate
Misc.	Miscellaneous
M.O.	Money Order
Ms	Manuscripts
n.f.a.	No further action
O.&M.	Organization & Methods
P.	Page
pp.	Pages
P.O.	Postal Order
p.v.	Payment Voucher
p.v.v.	Payment vouchers
q.e.d.	Which was to be demonstrated (proved)
re	Reference
s.a.e.	Self Addressed Envelope
u.f.s.	Under flying seal
u.s.c.	Under separate cover
VAT	Value Added Tax
Via	By way of
Vide	See
Wt.	Weight
Ad hoc	For this purpose
AGM	Annual General Meeting
B.c	Back cover
C.c	Carbon copy
C/d	Carried down
E & O.E.	Errors & Omissions Excepted
For	Free on rail

Fwd	Forward
I.O.U.	I owe you
Ipsa facto	By that very fact or thereafter
PCV	Petty Cash Voucher
PTO	Please turn over
Ref	Reference
Status quo	As before
Ag	Acting
A.y.c.	At your convenience
C/f	Carried forward
C/o	In care of
Disc	Discount
Esq.	Esquire
FOB	Free on board Hp
	Hire purchase
P.O.D	Proof of delivery
Red	Received
RSVP	Reply if you please
Viz	Namely

Self Assessment Exercise 2

1. How is written communication different from mechanical communication?
2. Informal communication is as effective as formal communication. Do you agree?
3. What do you understand by effective communication?
4. What is a communication barrier? In what way does inaccessibility to the boss constitutes a communication barrier?
5. In what ways bias affect effective communication in the office?

Answers to Self Assessment Exercise 2

1. Written communication involves putting an idea or information in writing for transmission. Mechanical communication involves using mechanical equipment to transmit information. Mechanical communication can be in oral or written form hence the medium could be the same but the channel differs.
2. I agree that informal communication is as effective as formal communication. Formal communication is a communication by due process while informal communication is a by pass or sidetracking of due process of communication flows. However, both forms of communication have a formal stamp authority.
3. Effective communication implies a piece of communication that attracts a positive on desired reaction (feedback) from the receiver.
4. A communication barrier is anything that affects a message to be misunderstood against the intended reaction. Inaccessibility to the boss creates an unfriendly relationship and results in a communication gap which may render communication ineffective.
5. Bias affects communication in three ways, namely:-
 - (a) When a listener has a biased on negative mindset against a speaker?
 - (b) When a speaker expresses a biased opinion on a subject which the listeners knows about?
 - (c) When a speaker underestimates the intelligence or knowledge of the listener.

4.0 CONCLUSION

Communication is quite an interesting subject matter. It is also quite a wide subject in its ramifications. Again, it is not a very straight forward subject capable of being understood by all office staff of an organization because of variegated cadres of staff at different levels of the typical organizational state. Ineffective organizational communication can seriously impair accomplishment managers need to communicate clearly their policies, operational strategies, orders and instructions down the line of management levels for the attainment of their set goals.

5.0 SUMMARY

Understanding the tenets of the subject matter of communication is very important to the student. It is important to appreciate that communication is a broad topic. As the main heading of this unit would reveal, we have concentrated mainly on the aspect of office communication and almost all aspects of it has been dealt with. However, the learner is enjoined to read up the whole subject matter in order to have a good knowledge and better understanding of the topic.

6.0 TUTOR MARKED ASSIGNMENT

With the aid of a pictorial diagram, explain the communication process to the point of which effective communication is said to have taken place.

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MODULE FOUR LEADERSHIP-WORK RELATION, COMMERCIAL TRANSACTIONS/DOCUMENTS/PAYMENT METHODS AND WAGES AND SALARY ADMINISTRATION

CONTENT

UNIT 1:	Leadership and Human Relations
UNIT 2	Business Documents
UNIT 3	Business Transaction-Methods of Payment
UNIT 4	Wages and Salary Administration

UNIT 1 LEADERSHIP AND HUMAN RELATIONS

CONTENTS

1.0	Introduction
2.0	Objectives
3.0	Main Body
3.1	The Nature and Source of Leadership
3.2	Definition and Characteristics of leadership
3.3	Leadership types
3.4	Leadership traits
3.5	Meaning of Human Relations
3.6	Human Relations in Work Environment
3.6.1	Employers Viewpoint on Human Relations
3.7	Leadership and Human Relations
3.7.1	Leadership Responsibility Expectations
3.7.2	Followership Responsibility Expectations
4.0	Conclusion
5.0	Summary
6.0	Tutor marked Assignment (TMA)
7.0	References

1.0 INTRODUCTION

This unit specifically focuses on the team players of the workplace environment. The workplace team players typify a superior subordinate relationships. This, in other words, means that there is an organized setting which fosters the superior-subordinate relationships in quite a cohesive manner. In this regard, the superior depicts the picture of leadership while the subordinate reflects the servant, who is the led or followership. How the leadership motivates and stimulates the team-playing spirit towards attainment of organizational objectives and goals is the focus on this unit.

2.0 OBJECTIVES

At the end of this unit, the learner would have been fully sensitized to recognize and appreciate the followings:-

- (a) A simple understanding of the meaning of leadership as well as ability to define it.
- (b) An acknowledgement of leadership source, traits and skills.
- (c) An ability to define human relations.

- (d) Ability to acknowledge and appreciate the fundamentals of the team-playing, cohesive work environment relationship.

3.0 THE MAIN BODY

3.1 The Nature And Source Of Leadership

Welcome to this study unit on leadership. It is intended to expose the student to the workplace behavioural styles of formed interactive relationship. The setting of the workplace environment depicts a boss-servant relationship. This relationship is a deliberate creation of the formal staff hierarchical structure of business organizations. In other words, the senior, middle and junior management or staff structures of organizations automatically created this superior-subordinate scenario, hence the emergence of organizational leadership and followership. Thus, a manager assigned to oversee the activities of those placed under him, assumes the role of a leader over the led.

The creation of the workplace leadership implies that the leader (manager) is expected to mobilize, direct and influence the led (workers) to discharge their assigned duties willingly, happily and with confidence in accordance with their acquired knowledge and know how or training.

Aromolaran (1998) classified four various sources of leadership, namely:

- a) **Leadership by Appointment:** This implies the appointment of a person to occupy a position. Power and authority is vested in the position and the occupant automatically derives that authority and power on appointment, to exercise it over colleagues and subordinates.
- b) **Leadership by Election:** Also called legitimate leadership, it derives from the ballot box by majority vote.
- c) **Leadership by Force:** This is leadership by conqueror in a war or crisis situation. A victor in a crisis or a military coup is good examples here.
- d) **Leadership by Spiritual Inspiration:** Through religion, a founder or prophet of a church or a particular type of religion may automatically become its leader.

From the foregoing, it is sincerely believed that the subject matter of leadership becomes easily clarifiable by the learner.

3.2 DEFINITION AND CHARACTERISTICS OF LEADERSHIP

Our concern here is focused on leadership by appointment and thus defined accordingly. Leadership has so many definitions as there are authors. Referencing Appleby, (Akinola 1999) defined leadership as “the ability of management to induce subordinates to work towards group objectives with keenness of mind, enthusiasm and confidence”. Again in the same text, Akinola referenced Preutice, W.C.H., who defined leadership as “the accomplishment of a goal through the direction of human assistance”. Sourced from Robbins 2001, Olise (2003) defined leadership “as the ability to influence a group towards the achievement of goals”. Representing leadership is a single person among group members, who is acknowledged by the group. Thus, Oyenuga (1997) defined a leader “as a person who

is involved in the responsibility of directing the activities of people or subordinates towards the achievements of predetermined goals.”

From the above definitions we can deduce that leadership has certain common characteristics as pin-pointed bellows. In this vein, leadership involves:

- a) States creation or definitions in a group
- b) Assumption of responsibility
- c) Acquisition of legitimate power and authority
- d) Right to influence by direction and guidance
- e) Persuasive and coercive interpersonal relations
- f) Goal-driven activities or accomplishment of goals
- g) Participatory teamwork
- h) Motivation
- i) Sensitivity and fairness
- j) Transformation

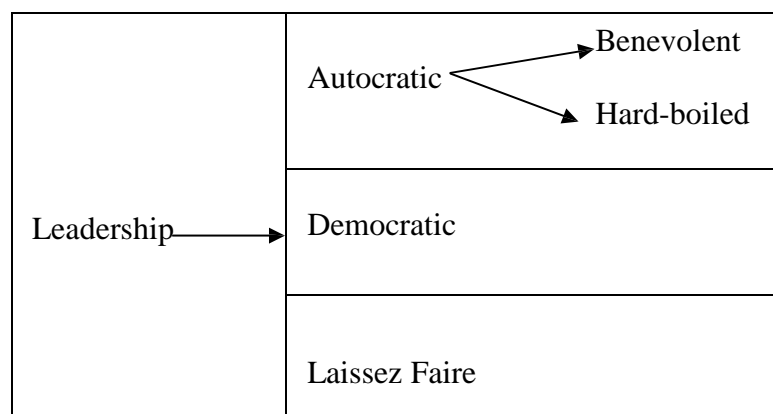
Students are advised to note that the enumeration above is all embracing but not exhaustive of leadership characteristics in the workplace.

3.3 Leadership Types

By the nature of our topic, a type of leadership assumes little relevance and is merely highlighted for the passing. This is more so because the group nature of the workplace is a deliberately planned and organized structure that determines either directly or indirectly the nature or manner of leadership behaviour. However, the success of a leader is closely linked with his style or traits. Leadership style can simply be explained as the manner a leader behaves to his group members.

Aromolaran (1998) referenced Lewin, Lippit and White 1939 as having identified three basic styles of leadership, namely: Autocratic, Democratic, and Laissez faire. The autocratic style is further sub-divided into benevolent and hard-boiled. This is clearly shown pictorially below:

Leadership Styles:



The characteristics of the three leadership styles are briefly explained here under:

1) Autocratic Leadership Style

Also known as dictatorial, the autocratic leader asserts or exercises absolute authority and power and exerts compliance of the led in fear through order and instructions. He is a man of his own and takes responsibility for job performance. He neither seeks nor takes ideas from others. As can be seen above, the autocratic leader reflects two sides of a coin. The face of the coin represents benevolence while the flip side represents hardness, hence a benevolent leader and a hard leader.

- a) **The Benevolent Leader:** This leadership style exhibits or portrays a democratic person by pretence. He listens to the led and employee-centered carrying his sub-ordinates along but takes his own independent decisions.
- b) **The Hard-boiled Leader:** Being hard-boiled described the leader as a cracker or strong-willed person, who adopts the carrot and stick approach to drive his will through. This means that the led or followers or subordinates must dance to his whims and caprices (idiosyncrasies) to get work done. He is job-centered, and to him, consultation and interaction with subordinates are less important to his push to get things done.

SELF ASSESSMENT EXERCISE 1

- 1. How does organizational leadership develop.
- 2. What do you understand by the term boss-servant relationship in the workplace?
- 3. enumerate the four types of leadership that are identified by Aromolaran (1998).
- 4. Explain the statement that leadership is “the accomplishment of a goal through the direction of human assistance.”
- 5. What is leadership style?

ANSWERS TO SELF ASSESSMENT EXERCISE 1

- 1. Organizational leadership develops out of the creation of hierarchical staff structures.
- 2. The term boss-servant relationship means that a high ranking officer or person is charged with the responsibility of supervising the activities of those placed under him.
- 3. The four types of leaderships that Aromolaran identified are:-
 - (a) Leadership by Appointment
 - (b) Leadership by Force
 - (c) Leadership by spiritual Inspiration.
- 4. Leadership is the accomplishment of a goal through the direction of human assistance, means that accomplishment of goals a leader group activities to accomplish goals through mobilization and direction of human efforts.
- 5. Leadership style refers to the type of behaviour a leader exhibits in his relationship with the people he leads (his subordinates).

2) **Democratic Leadership Style**

Democratic reflects care for the interest of the greatest number of people. Thus, a democratic leadership is all embracing, consultative communicative and interactive in decision making and drive towards shared goal accomplishment.

3) **Laissez Faire Leadership Style**

This is a carefree, nonchalant and noncommittal leadership. He gives an absolutely freehand to his subordinates for decisions and actions. In other words, subordinates are left to use their initiatives to determine how best to do things. Except with professional persons who cherish independence or freedom to perform their duties, the laissez faire leadership style scarcely makes a meaningful on concrete success or achievement. This is because lack of direction, control and cohesiveness or cooperation if the led can derail given organizational goals and objectives.

There may not be one best leader in all situations. Any given leadership style is appropriate if the leader can effectively achieve the purpose for which became the leader in the workplace. However, leadership success may depend on the situation, the job type, the resources available and the organizational ability of the leader to harness these factors effectively.

3.4 **LEADERSHIP TRAITS AND SKILLS**

Welcome to the study of the traits and skills aspects of leadership. It is quite an exciting aspect because it deals with those attributes or characteristics of a leader which differentiates him from his followers. In other words, we are concerned with those personal qualities that leaders possess and which enables them to succeed in leadership positions. A trait is an attribute, a characteristic or quality which is seen as standing out in a person's behavior or character. Thus, traits are natural or inborn qualities exhibited in a person's physical, mental and psychological behaviors in his social interactions. These traits are regarded as "personality traits" based on the belief of writers on management studies that "leaders are born not made". It is also the views of some writers that leadership traits are not only inborn but can be acquired through learning. The argument here underscored is that leadership success depends both on inborn (natural) and acquired personality traits.

TRAITS:

Oyenuga (1997) and Adeleke (2001) enlisted some universal or commonly identified leadership traits by writers as follows:

- 1) **Physical Trait:** This view says that the physical stature (in terms of height, weight, physique, personal appearance etc) of a person affects his ability to influence his followers. (Stog chill 1948).
- 2) **Intelligence Trait:** This trait assumes that s leader intelligence should be above that of the led in terms of creative (reasoning), judgment and thinking capacity. Intelligence trait is credited to Ghiselli (1971).
- 3) **Social Maturity Trait:** This means possession of abroad over a variety of interests or activities as well as a matured mind to manage (handle) successes and failures or frustrations.
- 4) **Personality Trait:** Ghiselli (1971) opined that a set of universal leadership traits (height, size, weight, intelligence, appearance, confidence, decisiveness, dominance, etc) ensure leadership success.

- 5) **Motivation Trait:** That a leader must have a conscious and sustained inner urge towards goal drive and achievement. That is one success should evoke a desire for further successes.
- 6) **Human Relation Trait:** This involves concern for the interests and appreciation of efforts and problems as well as positively influencing the desire of the led toward performance.

3.5 MEANING OF HUMAN RELATIONS

Human relation is a concept which describes relationships between and among people in all types of social settings. Social relationships among people in any situation simply reflect behavioral interaction among groups of sharing common interests. For our purpose, behavioral interaction is interpreted to mean simply as behavioral attitude.

Aromolaran (1998) describes human relations as “the relationship which subsists between one person and another or a group of persons or among groups of people within a locality, workplace or social gathering”.

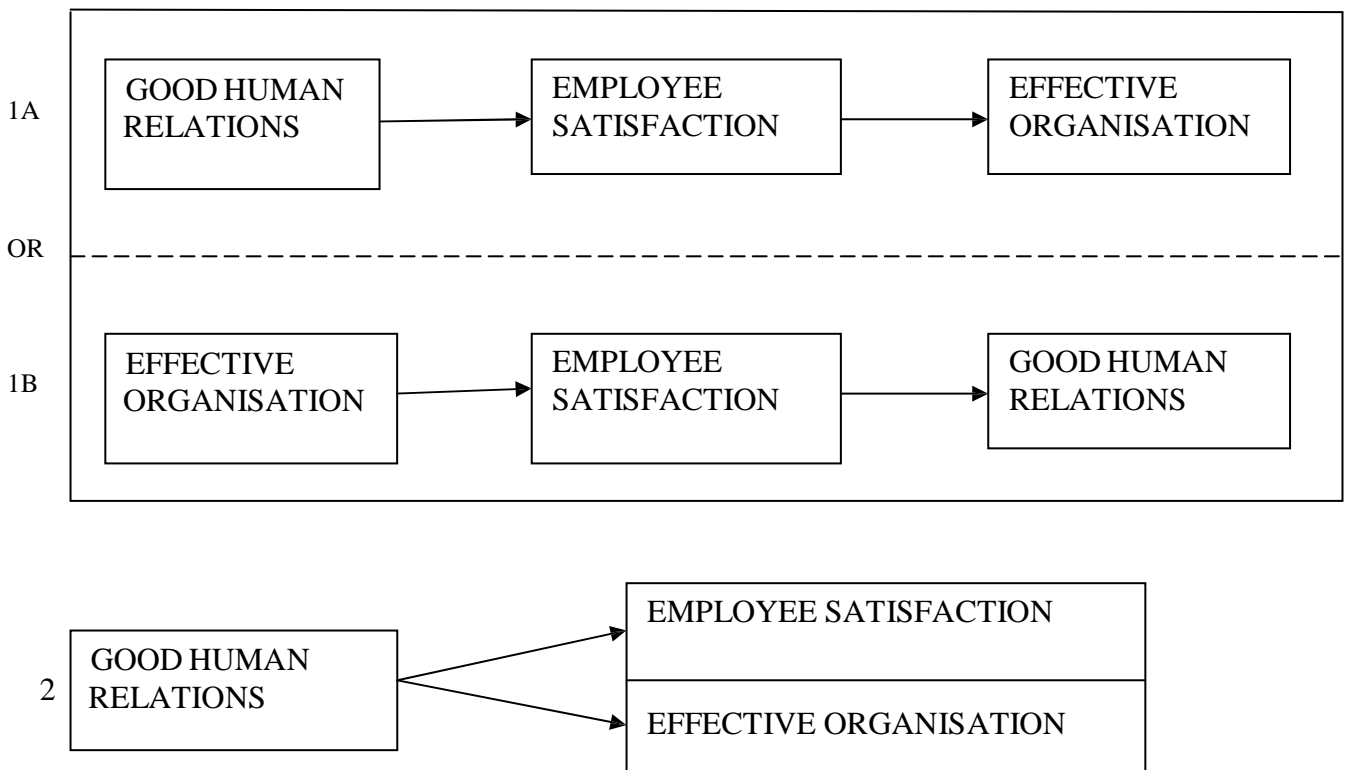
Anderson and others (1970) says “human relations involve understanding and responding to an individual’s or a group’s deep basic needs”. A critical look at the two different definitions reveals difference in expression of the same idea. From the above, conclusion is drawn to the effect that human relations is a two-way traffic as the interactive relationship paints a give and take scenario. In general application, human relation is simply described as social relationships among people in all types of situations (in business, government, schools, social groups and homes). In this context, human relations practice involves everybody and not just a group or groups of persons only.

3.6 HUMAN RELATIONS IN WORK ENVIRONMENT.

The work environment depicts the picture of an office. The business office or organization reflects an employer-employee relationship. This relationship arises from the nature of its organized formal structure which is driven towards achieving set objectives. Therefore, the work environment human relations can be seen simply as human behavior at work with real efforts taken to produce better or improved results. In essence, this means that human relations in the office deals with practicing sound or effective human relations as against a mere practice of behavioral interaction.

3.6.1 EMPLOYERS VIEWPOINT ON HUMAN RELATIONS

As pointed out above, employers practice sound or effective human relations. For the purpose of the lecture, office managers (management staff) are regarded as representatives of employers. Organizational managers view human relations as the integration and coordination of workers in such a way as to motivate them towards improved performance or better productivity and in turn attempt to satisfy their economic, social and psychological needs in the process. In other words, managerial human relations seek to create and nurture a stimulating work environment in order to motivate or attract the achievement of corporate objectives through employee satisfaction. The above idea is represented below pictorially in two main forms:



The two diagrams above represent one single idea expressed in two different ways. Diagram 1a shows that good human relations leads first, to employee satisfaction and in turn to effective organization in succession. Diagram 1b agrees but simply reverses the trend or sequence. In other words, the view advocates employee satisfaction as the basis of organizational effectiveness resulting from good human relations.

On the other hand, diagram 2, disbelieving the succession idea of diagram1, states that good human relations leads to both employee satisfaction and effective organization at the same point or same time.

3.7 LEADERSHIP AND HUMAN REALTIONS

If we can pieces together the basics of leadership and human relations, we shall come to the conclusion that organizational human relations is a function of role- playing by the major players in the employer-employee structure. The role-play of the employer is to assure a conclusive work situation wherein the workplace (employees) is integrated (deployed) appropriately and motivated through satisfaction of their economic, psychological and social needs. Conversely, the role-play of the employee is to ensure service (labor) provision with mutual interest, cooperatively and productively under the direction and guidance of the employer.

With the above scenario, Osuala (1986) argued that an organizational human relation aims at achieving three main goals, namely:

1. To harmonize human efforts to produce (incoming productivity)
2. To ensure workers cooperation through mutual interests
3. To ensure that workers gain satisfaction through increased relationship.

From the foregoing we can safely say that organizational human relations are basically the development of relationships which results in productive organizations and employee satisfaction.

3.7.1 LEADERSHIP RESPONSIBILITY EXPECTATIONS IN HUMAN RELATIONS

At this stage, it is necessary to examine the role expectations or responsibilities of each of the duo in the leader/follower relationship in an office setting. To motivate workers in order to exert compliance with work ethics in pursuit of organizational objectives, leadership is expected to exhibit the following human relation attributes as suggested by Aromolaran (1998):

1. Treatment of workers with humaneness.
2. Avoid bossing it over the led, let their views count where necessary to assure involvement.
3. Identify with the interests and aspirations of the led, while asserting authority.
4. Exhibit open-mindedness, fairness, impartiality and equality.
5. Response positively to worker's distress.
6. Creates enthusiasm to enhance the workers desire to work.
7. Prepare and advance the cause of the worker in terms of growth and development.
8. Determine, prescribe method, guide and provide means of accomplishing set objectives.

3.7.2 FOLLOWERS RESPONSIBILITY EXPECTATIONS IN HUMAN RESOURCES

Arising from the foregoing, the followership is required also to reciprocate positively leadership efforts with their own human relation attributes by the reference source cited above.

1. Ensure healthy working relationship devoid of pettiness, bickering and jealousy.
2. Desire to advance or grow along ones career pattern.
3. Exhibit or give respect to superiors, colleagues and subordinates.
4. Avoid involvement in acrimonious and dirty politics capable of affecting work place.
4. Readiness to put in extra efforts when required or necessary.
5. Critise constructively by offering useful alternatives.
6. Comply with standard office or corporate dressing codes.
7. Always identify with the cause of the office and protect its interest at all times.

We have to note that the above lists may not be exhaustive. However since the main principle behind organizational human relations is a drive at ensuring organizational survival, both leadership aim follower ship must exhibit strong team spirit and honesty to give their best to realize this goal.

SELF ASSESSMENT EXERCISES 2

1. The hard-boiled leadership applies the carrot and stick approach to interact with his followership. What is your understanding of this approach?
2. What do you think is the main weakness of the laissez-faire leadership?
3. What are leadership traits?
4. What is the meaning of human relations in a layman's language?
5. What is the managerial view of the workplace human relations?
6. What is the main principle behind organizational human relations?

ANSWERS TO SELF ASSESSMENT EXERCISES 2

1. The hard-boiled leadership style of carrot and stick approach means that he pushes his way to get things by inducement persuasion and force, that is he exerts compliance to his authority in accordance with his and caprices.
2. The main weakness of the laissez-faire leadership style, in my opinion, is that he scarcely makes a meaningful success or concrete achievement in group efforts.
3. Leadership traits are the in-bony or attributes or characteristics relation to a persons physical, mental and psychological behaviours that stand out in a group relationship.
4. In a layman's perspective, human relations can be described as the normal behaviours people exhibit in their day to day interactions in all types of social settings.
5. Managerial views of human relations in the workplace seeks to create and nuture a good environment meant to attract achievement of corporate objectives through employee satisfaction.
6. The main principle behind organizational human relations is the drive towards organizational survival.

4.0 CONCLUSION

Any endeavor in business investment is geared to making gains. Making gains or profit drive is dependent entirely on the survival of the said investment. Effective and efficient management of the resources of the investment thus becomes a key factor for its sustenance. Human resource is the greatest and most important component of all organizational resources. The individual skills, qualities and good behavioral attributes are indeed success factors exploited to the advantage of the organizational. These success factors are deployed or integrated in such a blend to give synergy to corporate actions and activities collectively. The way and manner the collective efforts is managed to attain organizational survival is a reflection of effective human relations practice.

5.0 SUMMARY

Leadership and follower ship are two necessary complements in the management continuum of an organization structure. Leadership provides direction and guidance as well as activates follower ship integration towards goal oriented actions. Follower ship to leadership stimulus in a cohesive and cooperative team spirit to execute organizational activities with success as goal drive. In essence, leadership success is dependent on the leader's style and quality of management. His management quality which results in overall organizational success is a function of his effective and efficient manipulation of resources at his disposal. Since the most potent of the resources of his disposal is the human factor, then it is believed that leadership management quality affects the level of follower ship performance. This begets the

conclusion that employee satisfaction leads to affective organization as a result of good human relations practice.

6.0 TUTOR MARKED ASSIGNMENT (TMA)

1. What is the leadership perception of human relations in an organizational setting?
2. How does this affect leadership behavior towards his follower ship?

7.0 REFERENCES

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UNIT 2 BUSINESS DOCUMENTS

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Body
 - 3.1 Prelude to the Process of Transaction
 - 3.2 Nature of Business Transaction
 - 3.3 Transaction Documents
 - 3.3.1 The Inquiry
 - 3.3.2 The Question
 - 3.3.3 The Order
 - 3.3.4 The Pro Forma Invoice
 - 3.3.5 The Invoice
 - 3.3.6 Advice Note, Delivery Note, Consignment Note
 - 3.3.7 The Debit Note
 - 3.3.8 The Credit Note
 - 3.3.9 The Statement
 - 3.3.10 Payment and Receipt
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assignment (TMA)
- 7.0 References

1.0 INTRODUCTION

The office is a place for business. The interaction of one office with another involves an exchange process of either goods or services. This exchange process reflects a scenario of buying and selling. The scenario goes beyond a courier or face to face straight forward transaction in a retail business, where cash payment completes the process of a transaction. Big time business or very large organizations conduct much more complex business transactions. This complexity warrants a particular process to be followed which requires a meticulous or careful recording. Thus, the necessity to follow this common practice generates a couple of records to evidence the various stages a particular transaction goes through, hence the name business documents.

2.0 OBJECTIVES

The primary function of the office worker at the lower rung of the staff structure is clerical by nature. The clerical staff is thus very active players in the business transaction process. The objective here is to introduce the learner to the ninety gritty of the process of commercial transaction of the business office. At the end of this unit, students should be able to imbibe the technicalities involved in order to handle or operate the business transaction process of the office most effectively.

3.0 MAIN BODY

3.1 PRELUDE TO THE PROCESS OF TRANSACTION

Let us imagine the share number of business organizations the world over. Imagine also, the volume of transactions these organizations would engage in within a typical business day. We would appreciate the fact as well that larger proportion of these transactions is on cash and carry basis. Cash transactions are simple and require only evidence of a payment receipt at the conclusion of a transaction. Let us assume that a lesser number of transactions are complicated and takes a longer period of time to carry out. For such complex commercial deals or transactions, some records are needed not only to formalize such deals but also to comply with legal requirements as well as to serve as reference points. The totality of records involved in the technicalities of trading are referred to as Commercial documents.

3.2 NATURE OF BUSINESS TRANSACTION

The nature of a commercial deal is a two-party affair. At one end is the seller and at the other and is the buyer. Article offered for sale may be a good or service. A good is a tangible thing that may be seen and touched or handled. On other hand, a service is never physical but can be felt from the result of an action or effort. For example a transport service provider provides the service by transporting or carrying a passenger from one spot to a required destination. The buyers' cash payment in return for the goods or service provided by the seller completes the exchange process and this is what is known as a Transaction, Stanwell et al (1984).

Complex commercial transactions involve the exchange of information between both parties through various documents to enable them keep track of the transactions. Like the simple cash transaction, a complex business deal can be called a complex transaction only when goods or services have exchanged hands and the corresponding cash payment has been made.

3.3 TRANSACTION DOCUMENTS

Enlisted below are the various documents required to imitate and complete a complex business transaction (Boble, 1980).

3.3.1 The Inquiry

This takes the form of a letter or a specially printed and inquiry form sent to a seller. It describes the goods needed, states the quantity required, the seller to state the terms of trade and specific delivery date.

3.3.2 The Quotation

This is the seller's reply to the inquiry, stating:

- a) Prices of the goods. (gross prices)
- b) Terms of supply or sale, subject to discounts
- c) E.g. Trade discount, for bulk purchase, cash discount, for prompt payment, CIF-Cost Insurance and Freight, carriage forward –carriage cost transferred to buyer, Ex works or Ex warehouse-cost of goods only. The buyer pays for transportation and delivery cost, etc.

3.3.3 The Order

This shows an intention and actual request to buy. A typical order contains the following:

- (a) Names and addresses of the two parties
- (b) A description and reference or catalogue number of the goods.
- (c) The delivery date required
- (d) The address of delivery of the consignment.

3.3.4 Pro Forma Invoice

As the name implies, the pro forma invoice is similar to a quotation rather than the invoice. It is used mostly as a matter of convenience. Where a quotation contains a long list of items with discount allowances, it may be more convenient to type it on a pro forma invoice form, to show the purchaser how the real invoice will be written out if he decides to buy the goods, (Swift and Stanwell 1973).

3.3.5 The Invoice

The invoice is a list and cost of goods bought by a customer. In order words, the invoice is a bill for goods by the (sold) supplier (seller) to the customer (buyers).

The invoice contains the following details:

- a) Number of invoice and date of issue
- b) Order number of the buyer
- c) Customers name and address
- d) Suppliers' name and address and VAT registration number
- e) Description of the goods
- f) Quantity and amount payable for each item, excluding VAT,
- g) Total amount payable, excluding VAT
- h) Rate and amount of VAT charged
- i) Rate of made discount offered, if any
- j) Total amount payable including VAT
- k) Date on which goods were supplied. If invoice did not accompany delivery.

Note:

- 1. The letters E and O.E may be printed in an invoice. This is an abbreviation for Errors and omissions excepted. This is inserted to safeguard the supplier against clerical errors when compiling the invoice, which may be corrected afterwards.
- 2. The issuance of the invoice does not mean a request for Immediate payment. Customers may arrange for settlement of accumulated bills (accounts) with a supplier on agreed terms.
- 3. Errors on the invoice must not be altered for any reason to avoid a suspicion of fraud
- 4. Errors are always adjusted by means of another decrement (another invoice, debit or credit notes)

3.3.6 Advice Note, Delivery Note, Consignment Note.

Lobley (1975) says that these terms have no legal definitions. Further, he claimed that the terms are after used in different ways by different people.

(a) Advice Note:

This note contains details of the goods being sent to the buyer. It may be sent in advance of the goods to alert or inform the buyer to expect delivery of his order. It may also accompany the goods to enable the buyer crosscheck and confirm that the right goods were sent.

(b) Delivery Note

As the name implies, it accompanies the goods and is just meant to evidence delivery of the goods to the buyer. The buyer signs it and hands it back to the driver as proof of delivery.

(c) Consignment Note

This note issues from the seller as a formal instruction to the transporter to accept the goods for delivery to the customer. It is used by a supplier who uses a transport other than his own to deliver supplies; the buyer is required to sign a copy of the consignment note. Consignment note serves as a contract between the sender (consignor) and the transport company (the carrier) and not the consignee (the customer).

3.3.7 The Debit Note

Recall the proviso of E. and O.E in an invoice. The debit note is one of such notes to correct an invoice of under change, a debit note is sent to the customer to rectify the error. The supplier is the beneficiary in this regard.

3.3.8 The Credit Note

The credit note is issued to rectify an over change error on the invoice. It means a referred of money by the supplier to the customer. There are other reasons, apart from the above, for sending a credit note:

- a) When the buyer returns damaged good to the seller
- b) Where packing cases or crates were returned by the customers, if an earlier deposit has been paid.
- c) Where gift vouchers or coupons were returned to the supplier. The seller may have dispensed these to his own customers with cash discounts and thereby entitled to a refund.

3.3.9 The Statement

The statement is a summary of the transactions between the supplier and customer within a trading month. The main intent is to show the debit position of the customer's trading account. Essentially, it must contain the following information:

- (a) Balance brought forward from the previous month.
- (b) The net amount of each invoice sent
- (c) The net amount of credit notes issued
- (d) Cash discount allowed to the customer.
- (e) The balance owing at the end of the month.

3.3.10 Payment and Receipt

Because of the technicalities involved, this topic is preferably treated freely under methods of payment. However, it is briefly addressed here to complete the process of commercial transactions between the supplier and his customer. Previous practices show that settlement of a trade account was always acknowledged by a receipt. Modern practices prefer the cheque system which eliminates the issuance of a receipt for payment. The cleared cheque, from which the supplier benefits, is enough proof or evidence of payment should dispute arise. If, however, payment is by credit transfer, the bank itself issues a receipt as proof of payment. As per current practice cash payments are always backed by issuance of receipts. The student must note that receipts may be supplied to the customer by the supplier where the foreman insists as a way of completing his records.

3.4 DOCUMENTS USED AS RECORDS

The commercial documents enumerated above are not just used and disposed off at the completion of a transaction. They actually serve as a record base for organizations to serve for future reference. For this purpose, they are easily accessed or consulted speedily as input sources for:

- 1) The preparation of our organization's profit and loss account at the end of a trading period (especially the statement of account);
- 2) In similar future transactions, they readily serve as immediate sources to extract useful information from;
- 3) Collectively, they serve to complete and tidy up of record keeping in organizations;
- 4) The maintenance of some of them, like the Inquiry, Quotation and the Order, helps to reduce costs, time and energy against repeating the transaction process where such records may have been disposed of.

For our purpose, the foregoing summary may suffice but students are enjoined to read up the topic for adequate information in order to be better informed.

3.5 OVERSEAS TRADE COMMERCIAL DOCUMENTS

Let us underscore the point that the documents studied in this unit are used in the home trade of a country. Overseas trade has two branches. There is the export trade which deals with the sale of goods to a purchaser in another country. The other branch is the import trade deals with buying of goods from a supplier overseas. The importing and exporting trade, as this is called, requires different sets of document to consummate their transactions. This aspect is outside the purview of this unit.

SELF ASSESSMENT EXERCISE 1

1. What is the basis for relationships amongst business organizations?
2. What is a business transaction in commercial trading terms?
3. Describe the function of the quotation in commercial transaction process?
4. Differentiate between the debit and credit notes amongst the business or commercial documents.
5. "EXOE" is an invoice item. Complete this abbreviation and state the main reason of its inclusion in the prepared invoice.
6. What are the two branches of overseas trade and what does each specifically deal with.

ANSWERS TO SELF ASSESSMENT EXERCISE 1

1. The basis for relationship amongst business organizations is the exchange of goods and services.
2. A business transaction, in commercial trading terms, means the completion of the exchange process of buying and selling by cash payment in return for goods provided or service rendered.
3. The quotation is a seller's response to a buyer's inquiry and it contains a description of the goods or services, pieces, trade terms, carriage and insurance costs, if any.

4. The debit note is used by the supplier or seller to correct an error of undercharge contained in an invoice, while the credit note is used to correct or rectify an overcharge error in an invoice as a measure of refund of money to the buyer or customer.
5. The complete version the abbreviation “EXOE”, is ‘Error and Omissions Excepted’. The main reason for including it in an invoice is to enable clerical errors or mistakes in the invoice to be corrected at a later date.
6. The two branches of overseas trade are the export and import trade. The export trade deals with the code of goods to a customer (buyer) in another country while the import trade involves buying of goods from an overseas seller.

4.0 CONCLUSION

Organizations engage in business with the sole aim of making profits in order to survive. This calls for a proper conduct of the affairs of their transactions. These transactions take the form of a process with the use of various documents to communicate and perfect the various transactions. The various functions played by the documents have been clearly dealt with and their understanding is very important to their handlers. It is equally important that they are properly preserved as records to ensure effective functioning of the organization’s business.

5.0 SUMMARY

This unit dealt with the nature and process of commercial transactions which business conduct. No matter their colourations, business organizations are traders of a sort as the driving force behind their various activities is profit motive. To survive in the highly competitive business market, they must follow a standard practice of business conduct. This standard practice is a reflection of the various documents used in the transaction process. The various documents involved, as already highlighted above, are the channels by which the transactions are communicated and consummated or finalized. Besides, the various documents constitute a concrete record base for individual business organizations, hence the need to properly and effectively preserve them as reference sources.

6.0 TUTOR MARKED ASSIGNMENT (TMA)

Your organization’s purchasing department indent to order a large quantity of a particular good it has never obtained previously. Using relevant documents, describe the procedure involve in accomplishing this transaction.

7.0 REFERENCES

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MODULE 4

UNIT 3: METHOD OF PAYMENT IN BUSINESS TRANSACTIONS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Body
 - 3.1 Modes of Payment
 - 3.2 Cash Payment
 - 3.3 Banking system of Payment
 - 3.3.1 The Cheque – meaning
 - 3.3.2 Parts of a Cheques
 - 3.3.3 Types of Cheques
 - 3.3.4 Types of Payment Cheques
 - 3.3.5 Credit Transfer
 - 3.3.6 Standing Orders
 - 3.3.7 Direct Debits
 - 3.3.8 Credit Cards
 - 3.4 Bill of Exchange
 - 3.5 Payment Through The Post Office
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assignment (TMA)
- 7.0 References.

1.0 INTRODUCTION

Business transactions, in the commercial world, are concluded with the exchange of money in return for goods sold or services provided. The exchange of money can be in cash or by means of a bank cheque. Cash payment consummates or concludes a common retail transaction while business firms generally prefer the bank cheque for making payments. However, there is no hard and fast rule about the above claim; an individual or organization makes a preference of the method of payment that best serves his or its purpose.

2.0 OBJECTIVES

It is intended that at the end of this unity the students should have been adequately schooled about the various methods of payment in commercial transactions, vis a vis:

- (a) Cash payment system
- (b) Banking system of payment
- (c) Postal services system of payment.

3.0 Main Body

3.1 Modes Of Payment

Various forms or modes of payment are existent in commercial transactions between individuals and as well as between firms or organizations. Cash and cheques are the most common modes. The banking system and the Postal Service provide other forms of payment. Each form of payment offers merits and demerits to both users, hence they can make a preference that most suits the nature of the transaction involved.

3.2 Cash Payment

This is a form of payment involving physical or raw cash as a means of settling transactions of purchases made from a trader. It is the most frequent form generally with small retail businesses. Business offices make daily runs of transactions involving small purchases usually with cash through the petty cash account. It is also common for employers to pay wages and salaries in cash. Cash payment offers a great inconvenience in large on big time transactions.

3.3 BILL OF EXCHANGE

A bill of exchange is a document commonly used in settling commercial transactions, but mostly in overseas trade. It does not itself serve as a means of payment for debits owed. Rather, it serves as an evidence that a debt or money is owed to a creditor. Like the cheque, it is not money or cash by itself; it has to be exchanged for cash.

By legal definition, a bill of exchange is “an unconditional order in writing addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand or at a stated date a sum of money to a certain person or to the order of that person or to bearer.”, (Hanson 1979).

55 Commercial Avenue Yaba, Nigeria 3 rd May 2006	Accepted payable at Eco Bank Plc. Victoria Island, Lagos K. C. Maxwell
=N=50 000 Three months after date, pay to me or my order the sum of fifty-five thousand Naira, value received.	
To: K.C. Maxwell, 44 Tamale Road Takoradi, Ghana.	P R Gordons

A typical Bill of Exchange.

Note:

- (i) Gordons is the drawer, payee and creditor.
- (ii) Maxwell is the debtor, drawee, and acceptor of the bill.
- (iii) The bill falls due for payment three months from drawn date and three days from due date. The three extra days are known as “days of grace.”
- (iv) Acceptance: A bill, when drawn, requires the signature of the drawee (debtor) to be appended to it, to express willingness to honour it on due date. This is called acceptance without which it is worthless or valuables.
- (v) Acceptance provides three course of action to the payee:
 - (a) It can be held for payment until due date.
 - (b) It can be discounted on sold to a bank, less interest for outstanding period and bank charges.
 - (c) It can be endorsed and transferred to a third-party.

(vi) Period and Sight Bills: A bill of exchange matures for payment when the period stated on it elapses. It can also be presented for payment at sight and on demand.

3.1 THE BANKING SYSTEM OF PAYMENTS

The banking system provides some facilities to customers to make payments for their various commercial transactions. These facilities are provided through the cheques system of payment and can be accessed through operation of a bank's account. The bank provides savings, current and deposit account facilities to customers. The savings and deposit accounts provide for payments made to one self mainly, with a withdrawal avenue to settle payments to others. The current account provides a variety of avenues for payments through with cheque system. Money (in terms of cash and cheque) is paid into a current account from which withdrawals are made by cheque.

3.1.1 THE CHEQUE – MEANING

The cheque is “a money order on a banker”, (Kirkpatrick & Others 1983). “A cheque is a written order to a bank to pay on demand a stated sum of money” to the person (payee) named on it. (Harrison , 1979). To Lobby (1975), “a cheque is an order to your bank to pay a stated sum to the bearer of the cheque or a named person.” This means that a cheque is actually a written instruction to a bank to act on the issuer's behalf to discharge a given action. From the above, it can be said a cheque involves three principal parties, viz:

- (a) The drawer – This is the person who draws or issues the cheque – (the current account owner).
- (b) The drawer – This the drawer's bank on which the cheque is drawn. The bank serves an intermediary between the drawer and the drawee. It claims a charge on the drawer for the role it plays i.e. its services.
- (c) The payee – This is the beneficiary of the cheque (the person to whom the amount on the cheque is paid).

Cheques are specially printed official forms by the banks and are legally acceptable. The forms are binded in book forms and are thus usually referred to as “cheque books” which are issued to current account owners or customers. Stamp duty (a small charge by government) is paid on each cheque leaflet of the cheque book. In Nigeria, the smallest cheque book contains a minimum of twenty-five leaflets.

3.1.2 PARTS OF A CHEQUE

The cheque leaflet is printed with designated parts. Each part of the leaflet is purpose-made and requites that they are correctly filled to make the cheque valid. Any incorrect information inserted on filling the cheque renders it invalid. Listed below are the various part of a typical cheque leaflet:-

- (a) **Date:** This is printed on the top-right side and filled in the order of day, month and year. Once inserted, the date signifies the day the cheque is issued. Starting from the date of issue, a cheque is valid for six months within which it is presented for payment. Beyond the six months interval, it becomes invalid legally. In the face of some circumstances, a cheque may be post-dated by the drawer. This action renders the cheque to be delayed for presentation for payment until the due date.
- (a) **Printed numbers:** These are imprinted numbers on the cheque leaflet to indicate the banks branch code, cheques serial number and security numbers. Currently the imprint is done

in magnetic characters to facilitate its handling procedure. The customer's account number may also be stamped or printed in.

- (b) Stamp: This is a stamp duty imprint indicating a charge by the government on the cheque leaflet; a charge transferred to the customer for payment.
- (c) Payee and drawer: This is the name of the person or institution or organization written on the cheque who receives the money value in the cheque.
- (d) The drawers signature is an authority for the bank to pay or honour the cheque.
- (e) The Amount: This is the money value on the face of the cheque, it must be written both in words and figures and two must agree. A discrepancy between them rendered the cheque to be dishonoured by the bank.
- (f) The Counterfoil: This is a tear-off portion on the cheque leaflet, collectively called "cheque-steeb", kept by the drawer for records purposes against transactions with the bank. Contents on the cheque over required to be replicated on the counterfoil.

SELF ASSESSMENT EXERCISE 1

1. How is a simple commercial transaction consummated between two parties
2. "A cheque is a money order on a banker." Explain the meaning of the above statement.
3. Distinguish the roles of the drawer, drawee and payee as parties to a cheque.
4. What do you think is the simple or primary reason that may render a cheque invalid or dishonored by the drawee?
5. What is a counterfeit in relation to a cheque?

ANSWER TO SELF ASSESSMENT EXERCISE 1

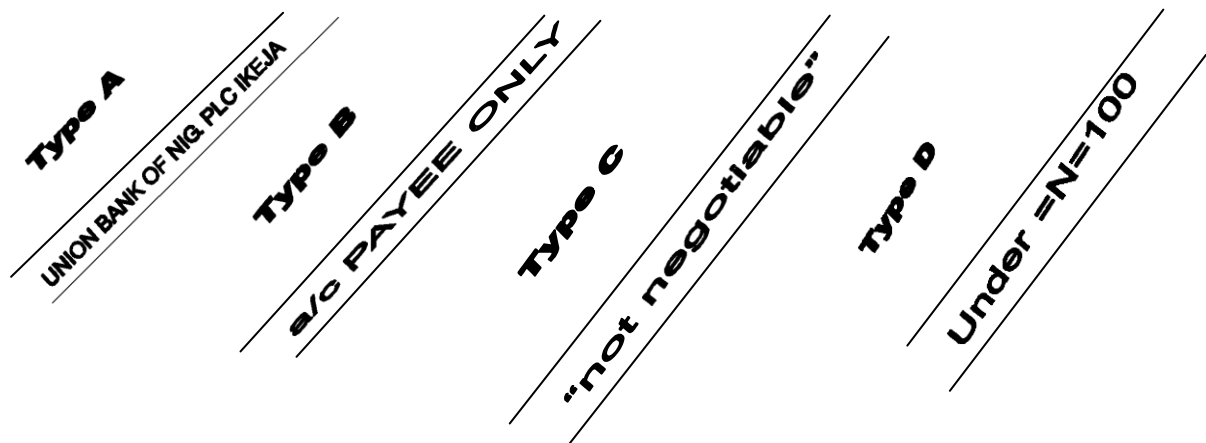
1. A simple commercial transaction between two parties is consummated by cash payment.
2. The above statement implies that a cheque is a written instruction to a banker to act on the writer's behalf in a prescribed manner without fail.
3. The drawer, drawee and payee are three parties connected to a cheque but they lay distinctive roles in the handling of a cheque, viz: account owner.
 - The drawer is the who is the issuer or given of the cheque
 - The drawee is the banker instructed to honour or pay the cheque
 - The payee is the person who was issued or given the cheque and to whom money is paid.
4. The simple reason why a cheque may be rendered invalid or dishonoured is by giving an incorrect information in the process of filling it.
5. A counterfoil, also called cheque stub, is a tear-off portion of a cheque meant to be kept for record purposes by the drawer.

3.1.3 TYPES OF CHEQUES

Printed cheques forms are the same. However, functional usages segregate them into types as follow:- These segregations indeed serve as safeguards to cheques. To "..... Or order."

- (a) **"Order" and "Bearer" Cheques:** An "Order Cheque" is made payable to the order of a named specific person or organization who must cash it through a bank account only. An order cheque can be turned to a bearer on endorsement by the payee. A "Bearer Cheque" is payable to the payee over a bank's counter, requiring no endorsement of the payee.

- (b) **Open cheques:** This is a cheque that is not crossed when issued. The non-crossing makes the cheque cashable at the counter of a bank with the payee's enclosement. When endorsed, an open cheque can be cashed only at where the drawers accounts exists.
- (c) **Crossed cheques:** Lobly (1975) says: "If two parallel lines are drawn across the face of a cheque it becomes a crossed cheque." Crossing a cheque implies that it must be paid into the owners (page) bank account to be cashed. A crossed cheques title is transferable to a third-party should the payee so endorse it, an action that allows the third party to pay into his own account. There are two forms of crossings on a cheque, "general" and "special" crossings. A crossing may be classified as a "general crossing" if two vertical lines are drawn across it with or without the words '& Co'. When the name of a specific bank or instruction is inserted between the two parallel lines on the face of a cheque, it is regarded as a special crossing as shown below:



The implication of Type A special crossing is that the cheque can be honoured only at the named branch of the bank. Type B depicts that the cheque can only be paid into the specified account. Type C crossing means that no one else can claim right of ownership to the money if the cheque falls into a wrong hand. Type D crossing means that it prevent a cheque to be altered fraudulently.

3.1.4 TYPES OF PAYMENT CHEQUES

Different types of payment cheques are used by business organizations to settle their payment obligations on regular basis, a few of these are enlisted hereunder.

(a) Ordinary Cheque

This is the common cheque issued to every current account holder to operate the account. It is used generally to settle bills.

(b) Voucher Cheque

This is a cheque to which a voucher is attached and from which the cheque can be easily detached. The voucher states details of transactions for which the cheque is being paid.

(c) Certified Cheque

This is a cheque certified or confirmed for payment by a bank. The drawer presents an ordinary cheque for which he obtains confirmation from the bank for payment. The bank confirms by stamping the word CERTIFIED on the face of the cheque with signature before handing it back and proceed to debit the customers account thereafter. From the point,

responsibility for payment rest or shifts to the bank and effects payment whenever the payee so presents it.

(d) Bank Draft

“A bank cheque is an order draws by one bank on its deposits in another bank to pay a third party,” (Pasewark, 1977). The bank draft is purchased or obtained through payment by cash or by cheque to the issuing bank which cheques the customer for its services. Both the bank draft and certified cheque offer equal measure of assurance, but the bank draft is money preferred by creditors.

(e) Cashiers Cheque

A cashiers cheque is issued by a bank on its own funds. It is similar to the bank draft with a main difference. The cashiers cheque is drawn on funds in the cashier's own bank, while the bank draft is drawn upon deposits or funds in another bank. The buyer of a bank draft or a cashiers cheque may not necessarily be a customer of the bank. On payment of cash to cover the amount required, the cashier writes and issues the cheque in form of the beneficiary (payee).

3.2 PAYMENT THROUGH THE POST OFFICE

A number of payment services is being provided by the post office globally. Since payment are affected through postal and money orders and the National Giro System.

(a) Postal Orders

Lechner (1987) said that “a postal order is a money order available in fixed denominations payable at a post office.” Indeed, a postal order is a specially printed form in varying monetary values ranging from ₦5 upwards. The Post Office supplies it on demand at the counter. Any buyer obtains it at the post office counter by paying the equivalent monetary value to the cashier, who then issues the corresponding value of the postal order. Spaces are provided on it to fill in the payees name and name of the town of the paying post office. Like a cheque, postal orders can be crossed or uncrossed. A crossed postal order can be paid only into a bank for cash. An uncrossed postal can be cashed at the post office counter, having been duly signed by the payee. A counterfoil is usually attached to the postal order and this is duly filled with the serial contents and detached before presentation for payment. A graduated postage charge is charged on a postal order in accordance with the value or denomination. Usually, postal orders' usage involves small amounts of money.

(b) Inland Money Order

A Money Order “is an order issued by a Post Office instructing another Post Office to pay a sum of money to the person named in the order.” Lechner (1987). An Inland Money Order is used within the locality of a country. A money order also exists in different denominations. It can be purchased at the Post Office through a filled form which is submitted at the counter with the monetary value as well as the issuing charge value. Money orders may be crossed like postal orders and cheques and can be honoured through a bank account. A holder of a money order can present it for payment within a period of six months from date of issue before its validity lapses.

(c) Inland Telegraphic Money Order (TMO)

This type of money order is used for sending money to a specified payee through telegraph. (electronic means). Same form as that for money order is used to obtain the telegraphic money order and the words 'By Telegraph' written across the face of the filled form. Apart from the fee, cost of the telegram of advice, and a fee per word for any private message sent with the order, are also charged. A certificate of issue is given evidence of this transaction.

POST CASH

The current trend of remission of money in commercial transaction through the post office is the post-cash system where cash is transmitted on received on behalf of patronesses or patronisers. The system involves payment of physical cash which is transferred in the currency required to the recipient. A charge, called commission, is made on the customer at either end, evidence of the post cash transaction process is duly recorded. This service is being provided with a banking facilitation that is, in conjunction with some chosen banks.

Let us observe here that modern trends of payment for commercial transaction has skewed to banking operations rather than through the post office.

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UNIT 4: WAGES AND SALARY ADMINISTRATION

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Body
 - 3.1 Contextualizing wages and salaries
 - 3.2 Wages Rate System
 - 3.2.1 Flat rate System
 - 3.2.2 Piece Rate System
 - 3.2.3 Time Rate System
 - 3.2.4 Commission system
 - 3.3 The P.A.Y.E System
 - 3.3.1 Coding
 - 3.3.2 Taxation Administration
 - 3.3.3 Tax Relief and Allowances
 - 3.3.4 Taxable and Tax Free Income

1.0 INTRODUCTION

Welcome to this unit which deals with the handling or administration of the payment of employees in monetary terms. In most organizations, wages and salaries matters are designated as accounting functions and are handed as such by a Wages section of Accounting Departments. However, in small organizations, Personnel Departments are saddled with the responsibility of administering the payroll. Whichever person or group of persons that shoulder the responsibility of the payroll, technical knowledge or a good knowledge of its preparation is of prime importance to the organization as well as employees. Clerical staff are often involved in the preparation of payrolls, hence they ought to have a basic knowledge of this subject matter. This is thus the essence of its inclusion at this stage of your study.

2.0 OBJECTIVES

At the end of this unit, the following objectives would have been achieved by the student:

- a) Knowledge of what constitutes wages and salaries would be acquired.
- b) Students would have been adequately informed about what goes into the preparation of wages and salaries in an organization.
- c) The techniques of preparing wages and salaries would have been learnt.

Besides the above objectives, the unit is intended to disseminate general information on the subject matter of wages and salaries administration in a typical business organization with paid labour.

3.0 THE MAIN BODY

3.1 CONTEXTUALIZING WAGES

Generally, in business, the word 'wages' is associated with the payment to manual workers, who are paid on the basis of work done by the hour. Similarly, the word 'salaries' is associated with payment to white-collar administrative or office staff, who are not paid by the

hour, but on weekly or monthly basis. However, the meaning of “wages is the payment to labour for its assistance to production” (Hanson 1979). From the foregoing, there seems to be no precise or remarkable difference between wages and salary as both are payments for a labour service. Labour, in the context, thus describes both the manual workers’ and administrative staff’s services. In other words, manual workers are paid wages and administrative workers salaries. In other words, manual workers are paid wages and administrative workers salaries. Perhaps what can be regarded as a difference between the two is that wages is treated as a variable cost and salaries as fixed cost in economics parlance.

3.3.2 Wages Payment

Despite the above stated distinction between wages and salaries, the word ‘wages’ is usually used to include salaries as well. Thus, the wages department in organizations is normally responsible for the payment of the salaries of all employees.

On the issue of weekly wage payment to employees organizations apply several matters to determine wages. Four of the most common methods are discussed below:-

3.2.1 Flat Rate System

Flat rate payment involves the determination of a fixed amount paid to all manual workers that rate of payment is fixed arbitrarily without minding or considering the differentials in the per unit amount of output by the individual worker, that is wages are not directly related to efforts. Flat rate calculation is simple as it saves time, particular incentive or drive. This method provides for wage increments mainly on the basis of length of service only while ensuring that employees observe the hours of work stated in accordance with their contract of employment. This method applies generally to both manual and clerical categories of administrative workers.

3.2.2 Piece Rate System

By this the wage payment rate is determined for each manual worker on the basis of the total amount of pieces actually produced. This method create automatic wage rate differential among workers by rate of speed of efforts. This means that a faster effort earns more than a slower effort. Some noticeable advantages and disadvantages exist in the operation of piece rate system.

Piece rates payment is applied effectively only when the amount of work alone can be easily measured. This induces the worker to increase his output since it amounts to an additional pay.

a. Advantages of the Piece Rate System

- i. Quicker or faster rate of performance or effort earns more than a slower effort.
- ii. Competition among workers can lead to increased level of production or output.
- iii. The system could be easily understood as it is simple to operate.
- iv. The desire to earn more is an incentive to output level.

b. Disadvantages of the Piece Rate System

- i. The drive for increased output may cause inferior quality products.
- ii. Increased production level may cause employers to reduce rate per piece to save costs.
- iii. A quality conscious slower worker might be penalized for taken a longer time for production.
- iv. An endless and strong desire to produce more to earn more may lead to overstress and breakdown of the worker.

3.2.3 Time Rate System

This system provides for a fixed amount of money to be paid to the worker on hourly basis. In other words, it is a system whereby an employee is paid according to the number of hours worked. The operation of the system requires the employee to “clock in” and “clock out” a personal card designed for the purpose and given to the employee. The clock-in and clock-out process is to evidence presence, commencement and closing time of work as well as serve as a record of the total number of hours worked within a given period. The total number of hours worked is multiplied by the fixed amount to obtain the gross wage payment from which statutory and other deductions are made to obtain the net wage payable to the employee.

3.2.4 Commission System

This is a method or system of payment by which a certain or given percentage of a workers output is given to him as payment for work done. This system best suits salesmen. Commission wage or payment is usually related to the monetary value or volume of sales made. For example, a salesman engaged on 10 per cent commission basis receives 10 per cent cash on each product or item sold; total wage commission is thus obtained by multiplying the rate with the total number or volume of sold items. In some cases, the percentage commission wage is paid on a target-of-sales basis. This means that commission is paid on reaching the target and extra commission is earned by surpassing the target sale. Salesmen are, at times, engaged on a low salary plus commission basis, meaning that the commission serves as an additional incentive to compensate for the salary and vice verse.

3.3 THE P.A.Y.E SYSTEM

The acronym “P.A.Y.E” stands for ‘pay as you earn’. Pay as you earn is a system of collective income tax from employees of an organization. The system derives from an amended Nigerian Finance Law (cap. 53) of 1963 from the original enactment of the Income Tax Management Act of 1961. The act empowers employers to make tax deductions from employees’ incomes and other earnings. Incomes and other earnings include salaries or wages and rates, interest, commission, pensions, bonuses and profits earned as returns from investments. The employer deducts from the employee’s income all the tax dues every pay day, which is the reason why the system is called “pay as your earn”. All tax deductions on each occasion are remitted into the coffers of the designate Internal Revenue Officer. The law provides that allowances be granted the employee tax payer on all income derivable or accruable.

3.3.1 Coding

The Internal Revenue Officer otherwise known as the Income Tax Officer, allocates a private code number to each employee via the employer which serves as an identity in the administration given reflects the tax free allowances granted by the Tax Office following the

return of the Claims for Allowances form which the employee is required to complete on an annual basis. The code number of any employee is retainable on permanent basis and can thus be utilized as the employee changes employment to a new employer. What is required in ensuring this is for the new employee to furnish his employer with his code number for him/her to enjoy continued usage of the code.

3.3.2 Taxation Administration

Under the PAYE System in Nigeria, taxation income determination is based on a graduated system which ascertain the payment of varying amounts of tax. The individual tax payer or employee is assessed against his personal circumstances as to whether he is married or not, number of children owned and level of personal income. Amount of taxes to be paid by the employee is considered or determined against wages and salaries and including bonuses commissions, fees, profits, etc tabulated in table format known as Tax (Deduction) Table which lists out the amount of tax deductible against income sources. All taxes deducted from employees are forwarded promptly to the local Inland Revenue Officer for onward remitted to the Federal Revenue Department.

A tax Deduction Card on which tax deductions of the individual employee are recorded yearly is maintained for every employee by the Wages and Salaries Department of employee-organisations. The card serves the purpose of evidence of tax payment which is statutorily required to be kept for a minimum of two years. At the end of the tax year, the Revenue Office issues a Tax Clearance Certificate for the tax payer in line with a statutory requirement.

3.3.3 Tax Relief and Allowances

The determination of the amount of tax an individual employee-tax payer is expected to pay on incomes each year is dependent upon three basic factors, namely:

- (a) The total income received.
- (b) Deductions claimable from the income allowance.
- (c) The rate of tax applicable as outlined on the tax table earlier referenced.

Similarly, in Nigeria, the employee, by statute (Budget 2001), is allowed or granted a list of tax free allowance (relief) on which he must not pay tax, are enlisted as follows:

- (a) Personal allowance - N5,000 + 20% of earned income.
- (b) Children allowance (2 maximum) N2,000 each.
- (c) Dependant Relative (2 maximum) N2,000 each.
- (d) Donations to recognized Research Centres.

3.3.4 Taxable Income and Tax Free Incomes

Taxable income is that part or portion of a person's income that remains or is left after all tax free allowances have been deducted. On the other hand, tax free income is an income earned that is exempted from taxation and deducted from the total incomes of a tax-payer.

You will recall the highlights of tax income sources in paragraph 3.3.2 above available to the employee-tax payer. Based on that, the following income sources are exempted from tax to a given upper limit:

<u>Income Sources</u>	<u>Maximum Tax Free Limit Allowable</u>
(a) Housing Allowance	N150,000 per annum
(b) Transport Allowance	N20,000 per annum
(c) Utility Allowance	N10,000 per annum
(d) Meal Subsidy	N5,000 per annum
(e) Furniture Allowance	
(f) Medical Allowance	

- Note: (i) Beyond the upper limit given above, excess income is subject to tax i.e taxable.
(ii) Basic salary is taxable in full.

Given an hypothetical example of tax administration on the employee, the following picture throws more light:

MARKS – the hypothetical employee.	N	N
Salary		36,000
Other Incomes:		
Rents	15,000	
Profits	25,000	
Bonuses	10,000	
Housing (200,000 – 150,000)	50,000	
Transport (40,000 – 20,000)	20,000	
Utility (30,000 – 10,000)	20,000	
Meal (15,000 – 5,000)	<u>10,000</u>	
Total Taxable Income		186,000
Less Reliefs:		
Personal N5,000+20% of 25,000– (5+1,000) earned income 10,000+5,000 =		15,000
Child 2,500 x 4	=	10,000
Dependants 2,000 x 2	=	8,000
Life Assurance Policy	=	<u>10,000</u>
Total	=	<u>43,000</u>

Taxable Income

The taxable income (N43,000 or any amount) is computed on the following table:

Tax Table

- 1st N30,000 at 5%
2nd N30,000 at 10%
1st N50,000 at 15%
2nd N50,000 at 20%
Above N160,000 at 25%

It is necessary to note that tax computation is a lot more complicated than the hypothetical picture painted above.

SELF ASSESSMENT EXERCISE

- (1) Explain the distinction between the terms wages and salaries.
- (2) How would you explain weekly wage, and by extension, monthly wage payment to a novice?
- (3) Contrast the flat rate and the piece rate systems of wage payment.
- (4) Is there any relationship between the piece rate and the commission systems of wage payment?
- (5) What does the acronym 'P.A.Y.E.' stand for and what is it all about?

ANSWER TO SELF ASSESSMENT EXERCISE

- (1). There is not much distinction between the terms wages and salaries because they are both payments in return for labour. However, what can be referred as a distinction between them is in the categories of workers who get paid with either of them as well as the time lag (period) between job completion and payment.
- (2) A weekly wage payment is a payment schedule made to labour on a weekly interval while the monthly payment is a payment to labour on an interval of one month.
- (3) The flat rate wage payment system involves a specific or fixed amount of pay to a similar labour services on equal basis. The piece rate system on the other hand, operates on the basis of a measurable level of performance in terms of number. Contrasting the two systems reflect payment differentials in terms of equal pay for all on the one hand, and different amounts based on the levels of input, on the other.
- (4) The piece rate and commission wage payment systems operate on the same principle which is rewarding efforts according to the level of input per individual; hence there is a relationship or similarity between these two systems.
- (5) The acronym P.A.Y.E. stands for 'Pay As You Earn'. Pay As You Earn is a system of tax administration which empowers employers of labour to deduct income taxes from their employees at source or point of payment of wages or salaries.

4.0 CONCLUSION

Wages and salaries administration is a job of the technocrat – one professionally trained and quite knowledgeable and capable of playing his trade successfully. In an office setting, clerical staff are often saddled with the performance of functions under the direction and supervision of technocrats to whom they are attached to work with. Effective and efficient performance of their duties calls for infusion of relevant and adequate knowledge and know-how in such staff. This, exactly, is what the introduction of this subject matter is meant to achieve.

5.0 SUMMARY

The administration of wages and salaries is an important matter in the effective management of an organization. Payment of correct wages and salaries is a subject matter that is very dear to both the employer and the employee. To the employer, it is an indices for measuring profit while the employee values it as a return for labour. The subject matter of this unit is approached from the angle of disseminating general information to enrich the knowledge matter than to show case technical indepth knowledge.

To that extent, attempt is therefore made to highlight basic understanding of what goes into the administration of wages and salaries in a typical business office. Since clerical staff in the Wages Department generally saddled with the duty of preparing the wages and salaries bills in most organisations, it is important that they are equipped with adequate knowledge and understanding of the constituents or components of the wage subject.

6.0 TUTOR MARKED ASSIGNMENT (TMA)

What do you understand by the piece rate system of wage payments. Enumerate its positive sides and major defects.

7.0 REFERENCES

Walcham, M (1974) Office Practice Book 2 (Second Edition), Berkshire, England, McGraw-Hill Book Company (UK) Limited, Maidenhead.

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UNIT 2 BUSINESS DOCUMENTS

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Body
 - 3.1 Prelude to the Process of Transaction
 - 3.2 Nature of Business Transaction
 - 3.3 Transaction Documents
 - 3.3.1 The Inquiry
 - 3.3.2 The Question
 - 3.3.3 The Order
 - 3.3.4 The Pro Forma Invoice
 - 3.3.5 The Invoice
 - 3.3.6 Advice Note, Delivery Note, Consignment Note
 - 3.3.7 The Debit Note
 - 3.3.8 The Credit Note
 - 3.3.9 The Statement
 - 3.3.10 Payment and Receipt
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assignment (TMA)
- 7.0 References

1.0 INTRODUCTION

The office is a place for business. The interaction of one office with another involves an exchange process of either goods or services. This exchange process reflects a scenario of buying and selling. The scenario goes beyond a courier or face to face straight forward transaction in a retail business, where cash payment completes the process of a transaction. Big time business or very large organizations conduct much more complex business transactions. This complexity warrants a particular process to be followed which requires a meticulous or careful recording. Thus, the necessity to follow this common practice generates a couple of records to evidence the various stages a particular transaction goes through, hence the name business documents.

2.0 OBJECTIVES

The primary function of the office worker at the lower rung of the staff structure is clerical by nature. The clerical staff is thus very active players in the business transaction process. The objective here is to introduce the learner to the ninety gritty of the process of commercial transaction of the business office. At the end of this unit, students should be able to imbibe the technicalities involved in order to handle or operate the business transaction process of the office most effectively.

3.0 MAIN BODY

3.1 Prelude to the Process of Transaction

Let us imagine the share number of business organizations the world over. Imagine also, the volume of transactions these organizations would engage in within a typical business day. We would appreciate the fact as well that larger proportion of these transactions is on cash and carry basis. Cash transactions are simple and require only evidence of a payment receipt at the conclusion of a transaction. Let us assume that a lesser number of transactions are complicated and takes a longer period of time to carry out. For such complex commercial deals or transactions, some records are needed not only to formalize such deals but also to comply with legal requirements as well as to serve as reference points. The totality of records involved in the technicalities of trading are referred to as Commercial documents.

3.2 Nature of Business Transaction

The nature of a commercial deal is a two-party affair. At one end is the seller and at the other end is the buyer. Article offered for sale may be a good or service. A good is a tangible thing that may be seen and touched or handled. On other hand, a service is never physical but can be felt from the result of an action or effort. For example a transport service provider provides the service by transporting or carrying a passenger from one spot to a required destination. The buyers' cash payment in return for the goods or service provided by the seller completes the exchange process and this is what is known as a Transaction, Stanwell et al (1984).

Complex commercial transactions involve the exchange of information between both parties through various documents to enable them keep track of the transactions. Like the simple cash transaction, a complex business deal can be called a complex transaction only when goods or services have exchanged hands and the corresponding cash payment has been made.

3.3 Transaction Documents

Enlisted below are the various documents required to imitate and complete a complex business transaction, sourced from Bobley (1980).

3.3.1 *The Inquiry*

This takes the form of a letter or a specially printed and inquiry form sent to a seller. It describes the goods needed, states the quantity required, the seller to state the terms of trade and specific delivery date.

3.3.2 *The Quotation*

This is the seller's reply to the inquiry, stating:

- a) Prices of the goods. (gross prices)
- b) Terms of supply or sale, subject to discounts
- c) E.g. Trade discount, for bulk purchase, cash discount, for prompt payment, CIF-Cost Insurance and Freight, carriage forward –carriage cost transferred to buyer, Ex works or Ex warehouse-cost of goods only. The buyer pays for transportation and delivery cost, etc.

3.3.3 *The Order*

This shows an intention and actual request to buy. A typical order contains the following:

- (a) Names and addresses of the two parties
- (b) A description and reference or catalogue number of the goods.
- (c) The delivery date required

- (d) The address of delivery of the consignment.

3.3.4 *Pro Forma Invoice*

As the name implies, the pro forma invoice is similar to a quotation rather than the invoice. It is used mostly as a matter of convenience. Where a quotation contains a long list of items with discount allowances, it may be more convenient to type it on a pro forma invoice form, to show the purchaser how the real invoice will be written out if he decides to buy the goods, (Swift and Stanwell 1973).

3.3.5 *The Invoice*

The invoice is a list and cost of goods bought by a customer. In other words, the invoice is a bill for goods by the (sold) supplier (seller) to the customer (buyers).

The invoice contains the following details:

- a) Number of invoice and date of issue
- b) Order number of the buyer
- c) Customer's name and address
- d) Supplier's name and address and VAT registration number
- e) Description of the goods
- f) Quantity and amount payable for each item, excluding VAT,
- g) Total amount payable, excluding VAT
- h) Rate and amount of VAT charged
- i) Rate of trade discount offered, if any
- j) Total amount payable including VAT
- k) Date on which goods were supplied. If invoice did not accompany delivery.

Note:

1. The letters E and O.E may be printed in an invoice. This is an abbreviation for Errors and omissions excepted. This is inserted to safeguard the supplier against clerical errors when compiling the invoice, which may be corrected afterwards.
2. The issuance of the invoice does not mean a request for immediate payment. Customers may arrange for settlement of accumulated bills (accounts) with a supplier on agreed terms.
3. Errors on the invoice must not be altered for any reason to avoid a suspicion of fraud.
4. Errors are always adjusted by means of another document (another invoice, debit or credit notes)

3.3.6 *Advice Note, Delivery Note, Consignment Note.*

Lobley (1975) says that these terms have no legal definitions. Further, he claimed that the terms are after used in different ways by different people.

- (a) **Advice Note:** This note contains details of the goods being sent to the buyer. It may be sent in advance of the goods to alert or inform the buyer to expect delivery of his order. It may also accompany the goods to enable the buyer crosscheck and confirm that the right goods were sent.
- (b) **Delivery Note:** As the name implies, it accompanies the goods and just meant to evidence delivery of the goods to the buyer. The buyer signs it and hands it back to the driver as proof of delivery.
- (c) **Consignment Note:** This note issues from the seller as a formal instruction to the transporter to accept the goods for delivery to the customer. It is used by a supplier who uses a transport other than his own to deliver supplies; the buyer is required to

sign a copy of the consignment note. Consignment note serves as a contract between the sender (consignor) and the transport company (the carrier) and not the consignee (the customer).

3.3.7 *The Debit Note*

Recall the proviso of E. and O.E in an invoice. The debit note is one of such notes to correct an invoice of under change, a debit note is sent to the customer to rectify the error. The supplier is the beneficiary in this regard.

3.3.8 *The Credit Note*

The credit note is issued to rectify an over change error on the invoice. It means a referred of money by the supplier to the customer. There are other reasons, apart from the above, for sending a credit note:

- a) When the buyer returns damaged good to the seller
- b) Where packing cases or crates were returned by the customers, if an earlier deposit has been paid.
- c) Where gift vouchers or coupons were returned to the supplier. The seller may have dispensed these to his own customers with cash discounts and thereby entitled to a refund.

3.3.9 *The Statement*

The statement is a summary of the transactions between the supplier and customer within a trading month. The main intent is to show the debit position of the customer's trading account. Essentially, it must contain the following information:

Balance brought forward from the previous month.

The net amount of each invoice sent

The net amount of credit notes issued

Cash discount allowed to the customer.

The balance owing at the end of the month.

3.3.10 *Payment and Receipt*

Because of the technicalities involved, this topic is preferably treated freely under methods of payment. However, it is briefly addressed here to complete the process of commercial transactions between the supplier and his customer. Previous practices show that settlement of a trade account was always acknowledged by a receipt. Modern practices prefer the cheque system which eliminates the issuance of a receipt for payment. The cleared cheque, from which the supplier benefits, is enough proof or evidence of payment should dispute arise. If, however, payment is by credit transfer, the bank itself issues a receipt as proof of payment. As per current practice cash payments are always backed by issuance of receipts. The student must note that receipts may be supplied to the customer by the supplier where the foreman insists as a way of completing his records.

3.4 Documents used as Records

The commercial documents enumerated above are not just used and disposed off at the completion of a transaction. They actually serve as a record base for organizations.

4.0 CONCLUSION

In conclusion the nature of business determines the type of document that may be required for transaction. The basic principles of writing is essential in any of the document that is being used.

5.0 SUMMARY

This unit examined the type and process of business transactions. In addition, different documents used for transaction were discussed.

6.0 TUTOR MARKED ASSIGNMENT (TMA)

Visit 5 local and five international business men and identify the type of transaction documents they are using in their business. Compare the documents with the documents discussed in this unit and state the similarities and dissimilarities.

7.0 REFERENCES

Walcham, M (1974) Office Practice Book 2 (Second Edition), Berkshire, England, McGraw-Hill Book Company (UK) Limited, Maidenhead.

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UNIT 3 METHOD OF PAYMENT IN BUSINESS TRANSACTIONS

- 1.0. Introduction
- 2.0 Objectives
- 3.0 Main Body
 - 3.1 Modes of Payment
 - 3.2 Cash Payment
 - 3.3 Banking system of Payment
 - 3.3.1 The Cheque – meaning
 - 3.3.1 Parts of a Cheques
 - 3.3.2 Types of Cheques

1.0 INTRODUCTION

Business transactions, in the commercial world, are concluded with the exchange of money in return for goods sold or services provided. The exchange of money can be in cash or by means of a bank cheque. Cash payment consummates or concludes a common retail transaction while business firms generally prefer the bank cheque for making payments. However, there is no hard and fast rule about the above claim; an individual or organization makes a preference of the method of payment that best serves his or its purpose.

2.0 OBJECTIVES

It is intended that at the end of this unity the students should have been adequately schooled about the various methods of payment in commercial transactions, vis a vis:

- (d) Cash payment system
- (e) Banking system of payment
- (f) Postal services system of payment.

4.0 MAIN BODY

3.1 Modes of Payment

Various forms or modes of payment are existent in commercial transactions between individuals and as well as between firms or organizations. Cash and cheques are the most common modes. The banking system and the Postal Service provide other forms of payment. Each form of payment offers merits and demerits to both users, hence they can make a preference that most suits the nature of the transaction involved.

3.2 Cash Payment

This is a form of payment involving physical or raw cash as a means of settling transactions of purchases made from a trader. It is the most frequent form generally with small retail businesses. Business offices make daily runs of transactions involving small purchases usually with cash through the petty cash account. It is also common for employers to pay wages and salaries in cash. Cash payment offers a great inconvenience in large on big time transactions.

3.3 The Banking System of Payments

The banking system provides some facilities to customers to make payments for their various commercial transactions. These facilities are provided through the cheques system of payment and can be accessed through operation of a bank's account. The bank provides savings, current and deposit account facilities to customers. The savings and deposit accounts provide for payments made to one self mainly, with a withdrawal avenue to settle payments to others. The current account provides a variety of avenues for payments through with cheque system. Money (in terms of cash and cheque) is paid into a current account from which withdrawals are made by cheque.

3.3.1 *The Cheque – Meaning*

The cheque is “a money order on a banker”, (Kirkpatrick & Others 1983). “A cheque is a written order to a bank to pay on demand a stated sum of money” to the person (payee) named on it. (Therrison et al, 1979). To Lobby (1975), “a cheque is an order to your bank to pay a stated sum to the bearer of the cheque or a named person.” This means that a cheque is actually a written instruction to a bank to act on the issuer's behalf to discharge a given action. From the above, it can be said a cheque involves three principal parties, viz:

- (d) The drawer – This is the person who draws or issues the cheque – (the current account owner).
- (e) The drawer – This the drawer's bank on which the cheque is drawn. The bank serves an intermediary between the drawer and the drawee. It claims a charge on the drawer for the role it plays i.e. its services.
- (f) The payee – This is the beneficiary of the cheque (the person to whom the amount on the cheque is paid).

Cheques are specially printed official forms by the banks and are legally acceptable. The forms are binded in book forms and are thus usually referred to as “cheque books” which are issued to current account owners or customers. Stamp duty (a small charge by government) is paid on each cheque leaflet of the cheque book. In Nigeria, the smallest cheque book contains a minimum of twenty-five leaflets.

3.3.2 *Parts of a Cheque*

The cheque leaflet is printed with designated parts. Each part of the leaflet is purpose-made and requites that they are correctly filled to make the cheque valid. Any incorrect information inserted on filling the cheque renders it invalid. Listed below are the various part of a typical cheque leaflet:-

- (g) **Date:** This is printed on the top-right side and filled in the order of day, month and year. Once inserted, the date signifies the day the cheque is issued. Starting from the date of issue, a cheque is valid for six months within which it is presented for payment. Beyond the six months interval, it becomes invalid legally. In the face of some circumstances, a cheque may be post-dated by the drawer. This action renders the cheque to be delayed for presentation for payment until the due date.
- (h) **Printed numbers:** These are imprinted numbers on the cheque leaflet to indicate the banks branch code, cheques serial number and security numbers. Currently the imprint is done in magnetic characters to facilitate its handling procedure. The customer's account number may also be stamped or printed in.

- (i) **Stamp:** This is a stamp duty imprint indicating a charge by the government on the cheque leaflet; a charge transferred to the customer for payment.
- (j) **Payee and drawer:** This is the name of the person or institution or organization written on the cheque who receives the money value in the cheque.
- (k) **The drawers signature** is an authority for the bank to pay or honour the cheque.
- (l) **The Amount:** This is the money value on the face of the cheque, it must be written both in words and figures and two must agree. A discrepancy between them rendered the cheque to be dishonoured by the bank.
- (m) **The Counterfoil:** This is a tear-off portion on the cheque leaflet, collectively called “cheque-steeb”, kept by the drawer for records purposes against transactions with the bank. Contents on the cheque over required to be replicated on the counterfoil.

3.3.3 *Types of Cheques*

Printed cheques forms are the same. However, functional usages segregate them into types as follow:- These segregations indeed serve as safeguards to cheques. To “..... Or order.”

- (d) **“Order” and “Bearer” Cheques:** An “Order Cheque” is made payable to the order of a named specific person or organization who must cash it through a bank account only. An order cheque can be turned to a bearer on endorsement by the payee. A “Bearer Cheque” is payable to the payee over a bank’s counter, requiring no endorsement of the payee.
- (e) **Open cheques:** This is a cheque that is not crossed when issued. The non-crossing makes the cheque cashable at the counter of a bank with the payee’s enclosure. When endorsed, an open cheque can be cashed only at where the drawer’s account exists.
- (f) **Crossed cheques:** Lobly (1975) says: “If two parallel lines are drawn across the face of a cheque it becomes a crossed cheque.” Crossing a cheque implies that it must be paid into the owners (page) bank account to be cashed. A crossed cheques title is transferable to a third-party should the payee so endorse it, an action that allows the third party to pay into his own account. There are two forms of crossings on a cheque, “general” and “special” crossings. A crossing may be classified as a “general crossing” if two vertical lines are drawn across it with or without the words ‘& Co’. When the name of a specific bank or instruction is inserted between the two parallel lines on the face of a cheque, it is regarded as a special crossing as shown below:

The implication of Type A’s special crossing is that the cheque can be honoured only at the named branch of the bank. Type B depicts that the cheque can only be paid into the specified account. Type C crossing means that no one else can claim right of ownership to the money if the cheque falls into a wrong hand. Type D crossing means that it prevents a cheque to be altered fraudulently.

3.3.4 *Types of Payment Cheques*

Different types of payment cheques are used by business organizations to settle their payment obligations on regular basis, a few of these are enlisted hereunder.

- (f) **Ordinary Cheque:** This is the common cheque issued to every current holder to operate the account. It is used generally to settle bills.

- (b) **Voucher Cheque:** This is a cheque to which a voucher is attached and from which the cheque can be easily detached. The voucher states details of transactions for which the cheque is being paid.
- (c) **Certified Cheque:** This is a cheque certified or confirmed for payment by a bank. The drawer presents an ordinary cheque for which he obtains confirmation from the bank for payment. The bank confirms by stamping the word CERTIFIED on the face of the cheque with signature before handing it back and proceeds to debit the customer's account thereafter. From this point, responsibility for payment rests or shifts to the bank and effects payment whenever the payee so presents it.
- (d) **Bank Draft:** "A bank cheque is an order drawn by one bank on its deposits in another bank to pay a third party," (Pasewark 1977). The bank draft is purchased or detained through payment by cash or by cheque to the issuing bank which cheques the customer for its services. Both the bank draft and certified cheque offer equal measure of assurance, but the bank draft is money preferred by creditors.
- (e) **Cashier's Cheque:** A cashier's cheque is issued by a bank on its own funds. IT is similar to the bank draft with a main difference. The cashiers cheque is draw on funds in the cashier's own bank, while the bank draft is drawn upon deposits or funds in another bank. The buyer of a bank draft or a cashier's cheque may not necessarily be a customer of the bank. On payment of cash to cover the amount required, the cashier writes and issues the cheque in form of the beneficiary (payee).

3.3.5 *Credit Transfer*

Also known as the Bank Giro, the Credit Transfer System involves the issuance of a single cheque to pay two or more or several customers or creditors by a debtor through the banking system. The debtor prepares a list giving details of name, amount, date and bank account number of his creditors with a cheque covering the total sum to his bank. The bank discharges its service by sending credit notes as payment to each of the customers through their individual banks. The service can be utilized by those creditors who may not have a bank account. This method saves stationery, man-hour (time), and ensures safety of transactions. It is a very method for paying wages and salaries from business or trade creditors.

3.3.6 *Standing Order*

This is an instruction from a customer to his banker to pay a given amount of money from his current account on his behalf to his creditor(s) on some regular intervals. It is aptly defined by Lechner (1957) as "a banker's order for the regular payment of a fixed amount on behalf of a customer". This instruction must be given in writing stating details about amount, dates and payee's name and bank. Standing order payments are commonly done to settle a customer's private financial commitments of monthly or annual subscriptions, insurance premiums, and so on.

3.3.7 *Direct Debit*

Direct debit debt settlement is similar to both the credit transfer and standing order methods. By these two methods, the debtors initiate payments by instructing their bankers to effect settlement on their behalf. By the direct debit method, the creditor initiates the instruction to get paid. By an arrangement, the creditor a written authority from his debtor to get the banker settle his bills on a periodic basis. This method is best used to settle a fixed sum of money at irregular intervals can also be settled in this way. In all cases, the payee (creditor) sends

relevant invoices to the drawee (payer or debtor) to obtain written authority in pursuit of payment.

3.3.8 Credit Cards

A credit card is a facility of money value granted to a holder without having in possession the physical cash that the card represents. Thus, the credit card enables or allows the holder to actually obtain or purchase goods and services on credit at specified suppliers on the spot, pending settlement or payment with cash at a later or future date. The card system works with groups of participating banks and sellers (suppliers) with mutual agreement to honour it. The credit card is denominated in monetary value to an upper limit. In essence, it means that the cardholder must not exceed this maximum limit in transactions. The operation of the system covers suppliers participants in the areas of travel, meals, hotel accommodation, supermarket shopping and so on. However, the system operates successfully in an atmosphere of credit worthiness and trust among beneficiaries and mutuality among service providers.

SELF ASSESSMENT EXERCISE 2

1. Distinguish between order and bearer cheque.
2. What is the difference between open and crossed cheques?
3. When can a cheque be described as being specially crossed and what is its effect?
4. Briefly explain the following
 - (a) A Bank Drafts
 - (b) A Cashier's Cheque.
5. What is a standing order in a customer banker relationship?
6. What is direct debit and how does it differ from credit transfer or standing order?

ANSWER TO SELF ASSESSMENT EXERCISE 2

1. An order cheque is one made payable to order of a specifically named person or organization who must cash it through a bank account only. A bearer cheque, on the other hand, is made payable over a bank's counter on endorsement by the payee.
2. An open cheque is one that is not crossed by the person issuing it and cashable at counter of a bank or endorsement by the payee. A crossed cheque has two parallel lines drawn across its face by the drawer which makes it cashable only through the payee's bank account.
3. A cheque is described as being specially crossed when a named bank's branch or banker is written between the crossed lines. The effect of a special crossing renders the cheque to be honoured only by the named bankers.
- 4a. A Bank Draft: This is a cheque drawn on a bank. It is so described because the bank issues a cheque to itself to draw from its own deposits in another bank in favour of a third party, the debtor having paid the bank for it in advance.
- b. A Cashier's Cheque: This is a cheque issued and drawn on funds in the cashier's own branch of the bank, in favour of a payee on behalf of a client who must pay for it in advance.
5. In a customer-banker relationship a standing order is an advice a customer gives to his banker to take money from his account to settle a creditor on his behalf at some regular intervals.

6. Direct debit is an instruction to a banker by a creditor instruct the banker to pay him a given sum of money in settlement of a bill (debt) on the authority of and on behalf of his debtor.

3.4 Payment through the Post Office

A number of payment services are being provided by the post office globally. **Since payments are effected through postal and money orders and the National Gino System.**

- (a) **Postal Orders:** Lechner and Others (1987) said that “a postal order is a money order available in fixed denominations payable at a post office.” Indeed, a postal order is a specially printed form in varying monetary values ranging from =N=5 upwards. The Post Office supplies it on demand at the counter. Any buyer obtains it at the post office counter by paying the equivalent monetary value to the cashier, who then issues the corresponding value of the postal order. Spaces are provided on it to fill in the payee's name and name of the town of the paying post office. Like a cheque, postal orders can be crossed or uncrossed. A crossed postal order can be paid only into a bank for cash. An uncrossed postal can be cashed at the post office counter, having been duly signed by the payee. A counterfoil is usually attached to the postal order and this is duly filled with the serial contents and detached before presentation for payment. A graduated pondage charge is charged on a postal order in accordance with the value or denomination. Usually, postal orders' usage involves small amounts of money.
- (b) **Inland Money Order:** A Money Order “is an order issued by a Post Office instructing another Post Office to pay a sum of money to the person named in the order.” Lechner and Others (1987). An Inland Money Order is used within the locality of a country. A money order also exists in different denominations. It can be purchased at the Post Office through a filled form which is submitted at the counter with the monetary value as well as the issuing charge value. Money orders may be crossed like postal orders and cheques and can be honoured through a bank account. A holder of a money order can present it for payment within a period of six months from date of issue before its validity lapses.
- (c) **Inland Telegraphic Money Order (TMO):** This type of money order is used for sending money to a specified payee through telegraph (electronic means). Same form as that for money order is used to obtain the telegraphic money order and the words 'By Telegraph' written across the face of the filled form. Apart from the fee, cost of the telegram of advice, and a fee per word for any private message sent with the order, are also charged. A certificate of issue is given as evidence of this transaction.
- (d) **Post Cash:** The current trend of remission of money in commercial transaction through the post office is the post-cash system where cash is transmitted or received on behalf of 'patronees' or 'patronizers'. The system involves payment of physical cash which is transferred in the currency required to the recipient. A charge, called commission, is made on the customer at either end, evidence of the post cash transaction process is duly recorded. This service is being provided with a banking facilitation that is, in conjunction with some chosen banks.

Let us observe here that modern trends of payments for commercial transaction have skewed to banking operations rather than through the post office.

4.0 CONCLUSION

The major methods of payment are cash and cheques payment. However there are other types of payment which include e-payment. The central bank of Nigeria is currently working towards the perfection of e-payment as expressed by Sanusi Lamido (2011). In line with Lamido's proposition, the highest cash to be withdrawn would be one hundred and fifty thousand naira in a day. This is to help control money laundry and thefts.

5.0 SUMMARY

This unit discussed the major methods of payment which include cash and cheque payments.

6.0 TUTOR MARKED ASSIGNMENT

Identify and explain the merits and demerits of cash and cheque payments.

7.0 REFERENCES

Walcham, M (1974) Office Practice Book 2 (Second Edition), Berkshire, England, McGraw-Hill Book Company (UK) Limited, Maidenhead.

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