BUSINESS COMMUNICATION (2.5)

(Chapter 15 - A level 2.5)

Effective communication is the successful exchange of information between people or groups - with feedback.

Effective communication will require :
- ■ sender (or transmitter) of the message
- ■ clear message that's easy to interpret
- ■ appropriate medium (way in which the message is sent)
- ■ receiver
- ■ feedback - where the receiver of information sends back a response to indicate the message has been received and understood

Benefits of having effective communication

✔ **Helps staff better understand tasks** - this will reduce mistakes and errors

✔ **Improve staff motivation and productivity** - when staff are encouraged to give feedback

✔ **Increases speed of response to market changes** – if changes in consumers' decisions take a long time to be communicated, then the business will be slow to respond

✔ **Helps coordination between different parts of business**- due to good communication links

✔ **Improves speed of decision-making** – the better the communication, the faster employees will understand the situation and the faster they'll be able to take action

Situations in which effective communication is essential :
- ● To pass instructions to employees
- ● To aid coordination between different parts of the business
- ● To communicate with current customers and potential customers
- ● To allow employees to participate in a business
- ● To share ideas, targets, future goals with stakeholders

Additional info :

> **Internal communication** is between two members of the same organisations. Example: communication between departments, notices and circulars to workers, signboards and labels inside factories and offices and the intranet etc.

External communication is between the organisation and other organisations or individuals. Example: orders of goods to suppliers, advertising of products, sending customers messages about delivery, offers etc

Methods of communication

Effective communication requires the appropriate **communication media** - which are the methods used to communicate a message. The 4 methods of communication are : **verbal**, **written**, **visual** and **electronic**.

Verbal methods

Telephone conversations, face-to-face conversations, video conferencing, meetings etc.
Advantages :
✔ Quick and efficient
✔ There is an opportunity for immediate feedback
✔ Speaker can reinforce the message - change tone, body language etc. to influence listeners

Disadvantages :
✖ Can take long if there is feedback and therefore, discussions
✖ In a meeting, it cannot be guaranteed that everybody is listening or has understood the message
✖ No written record of the message for later reference (unless someone takes notes)
✖ Impact can be affected by surrounding noise

Written methods

Letters, memos, reports, faxes, notices, sign boards etc.
Advantages :
✔ Permanent record - there is evidence of the message for later reference
✔ Can include lots of details - better structured
✔ Easy to distribute

Disadvantages :
✖ Direct feedback may not always be possible - or feedback may take awhile
✖ Unable to use body language to reinforce message
✖ Language could be difficult to understand - may be misinterpreted
✖ Can be costly and time consuming (sending letters = postage costs etc.)

Visual methods

Diagrams, charts, videos, presentations, photographs, cartoons, posters etc.
Advantages :
✔ Can present information in an appealing and attractive way
✔ Help people better understand information (data / numbers are easier understood on graphs)

✖ May not be understood/ interpreted properly - people need to pay close attention
✖ No feedback (unless in a meeting or something)

Electronic methods

Emails, text messages, faxes, video/web conferencing etc.
Advantages :
✔ Very fast - especially emails and text messages
✔ Convenient - can be done anywhere anytime
✔ Relatively inexpensive
✔ Can allow for a quick response
✔ Emails and text messages allow for there to be written record

Disadvantages :
✖ Less personal
✖ Can be intercepted (viewed by a third party)
✖ Devices may be subject to viruses (unreliable?)
✖ May lead to *information overload*
✖ Can potentially be ignored or dismissed depending on the receiver (what if its important?)

Information overload : so much information and so many messages are received that the most important ones cannot be easily identified and quickly acted on – most likely to occur with electronic media

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Factors that affect the choice of communication method

- **Speed**: if the receiver has to get the information quickly, then a telephone call or text message has to be sent. If speed isn't important, a letter or e-mail will be more appropriate.
- **Cost**: if the company wishes to keep costs down, it may choose to use emails or face-to-face meetings as a medium of communication. Otherwise, telephone, posters etc. will be used.
- **Message details**: if the message is very detailed, then written and visual methods will be used.
- **Leadership style**: a democratic style would use two-way communication methods such as verbal mediums. An autocratic one would use notices and announcements.
- **The receiver**: if there is only one receiver, then a personal face-to-face or telephone call will be more apt. If all the staff is to be sent a message, a notice or e-mail will be sent.

- **Importance of a written record**: if the message is one that needs to have a written record like a legal document or receipts of new customer orders, then written methods will be used.
- **Importance of feedback**: if feedback is important, like for a quick query, then a direct verbal or written method will have to be used.

Channels of communication

Channels of communication are the routes within an organisational structure through which information passes.

One-way communication is when information is passed in only one direction in a hierarchy, usually top to bottom (like in an autocratic leadership.) This form of communication involves a message which does not require feedback. Example: signs saying 'no smoking' or an instruction saying 'deliver these goods to a customer'. Can be demotivating to employees, as they dont feel valued or included.

Two way communication is when information passes in two directions in a hierarchy, like downwards and upwards. (like in a democratic leadership.) Example: a letter from one manager to another about an important matter that needs to be discussed. A two-way communication ensures that the person receiving the message understands it and has acted on it. It also makes the receiver feel more a part of the process - could be a way of motivating employees.

Horizontal communication occurs between people on the same level of an organisational structure. Between people who have approximately the same status but are in different departments. Like a staff manager communicating with the operations manager.

Vertical communication is when people from different levels of hierarchy communicate with each other. Vertical communication can either be *downward communication* - messages from managers to subordinates i.e. from top to bottom of an organisation structure or it can be *upward communication* - messages/feedback from subordinates to managers i.e. from bottom to top of an organisation structure.

Barriers of communication

Communication barriers are factors that stop effective communication of messages. Example:

1. Failure in one of the stages of communication :

- Wrong method of communication chosen - maybe feedback isn't possible
- Misleading or incomplete message
- Too much technical language or *jargon*

- An overload of information - receivers lose interests or forgets important bits
- Channel of communication too long - like in a tall organisation with many layers

2. Poor attitude of receiver

- Sender and receiver have a poor relationship - personal issues get in the way
- Unmotivated workers make poor receivers
- Poor Intermediaries – those on the communication channel – may decide not to pass on a message, or to change it

3. Physical barriers

- Surroundings are too noisy - difficult to understand instructions/message
- Poor devices used/ bad internet when conference calling
- Too much distance between receiver and sender - where an in-person meeting isn't possible (so emails, video calls etc used instead)

Jargon : Business jargon is words and phrases used by business employees to convey unique ideas and directions - although it won't always be understood by all employees

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Reducing communication barriers

There are 6 steps managers should take in order to minimise the impact of communication barriers :

1. Ensure the message is **clear and precise** with enough details
2. Keep the communication channel as **short as possible** - less layers to pass through
3. Make sure that **channels of communication are clear** to everyone involved
4. Make sure **feedback is possible** (if it's necessary)
5. Establish **trust and good relationships** between receiver and sender
6. Ensure that **physical conditions are appropriate** - not noisy etc.

Formal and informal communications

Formal communication is when messages are sent through established channels using professional language. Eg: reports, emails, memos, official meetings.

Informal communication is when information is sent and received casually with the use of everyday language. Eg: staff briefings, casual chit chat during lunch break etc.

Managers can sometimes use the *'grapevine'* (informal communication among employees- usually where rumours and gossip spread!) to test out the reactions to new ideas (for example, a new shift system at a factory) before officially deciding whether or not to make it official.

Although other managers consider informal communication to be a waste of working time and may discourage workers from gossiping and spreading rumours.