

Chapter 12: Communication in business

What is effective communication and why is it necessary?

Communication is when a **message transferred** from one person to another and is **understood** by the latter. We communicate everyday (by talking, by chatting, by texting, etc.) but we need to learn how to communicate **effectively**. Effective communication means that:

*"The information or message being sent is **received, understood and acted upon** in the way **intended**."*

In business, ineffective communication or communication failure could result in serious problems.

Why do people within business need to communicate with each other?

In business, if we do not communicate, we would be working as individuals with no co-ordination with anybody else in the business. The management, whose tasks are guiding, instructing and commanding subordinates could not be done because they cannot communicate with them. Here are some common messages found in the workplace:

- No Smoking (sign)
- You are fired because you are always late (letter)
- Do not touch (sign)
- There will be a fire drill 11:00 today (noticeboard)

There are many more things that are communicated. Consequences would be severe if these matters are not communicated effectively.

The process of effective communication:

Effective communication involves four features:

- The **transmitter/sender** who sends the message. He has to choose the next two features carefully for effective communication.
- The **medium of communication**. It is the method of communication, e.g. noticeboard, letter, etc...
- The **receiver** who receives the message.
- **Feedback** means that the receiver has received the message and **responds** to it. This confirms that the message has been **understood and acted upon** if necessary.

One-way and two-way communication

There are two types of communication. **One-way** communication is when there is no feedback required for the message, or the receiver is not allowed to reply. This might be the sign that says "No smoking", or your boss saying: "give me a biscuit". The other is **two-way** communication, when feedback is required. Therefore, both people are now involved in the communication process. This could lead to better and clearer information.

Pros of two-way communication:

- The sender can now **know** whether the **receiver** has **understood** and **acted upon** the message or not. If they have not, the message might have to be **sent again** or **made clearer**. Effective communication takes place only if the message is understood by the receiver.
- **Both** people are **involved** in the communication process. This makes the receiver feel more **important** which might **motivate** them to make better contributions to the topic discussed.

Internal and external communication

Internal communication is messages sent between people **inside** a business. For example:

- The boss talking to his subordinates.
- A report sent to the CEO.

External communication refers to messages sent to people or organisations outside the business. For example:

- Orders for goods from suppliers.
- Talking to customers.
- Advertising to the public.

Both types of communication is almost the same, the only difference is **who** is being communicated with.

Why external communication has to work well

External communication can greatly affect the **efficiency** and **image** of a business. Imagine if the wrong information is sent to a supplier and a customer. The supplier would send wrong materials while the customer might buy products from another company. Here are some cases which ineffective external communication might turn out to be very dangerous:

- The Finance Manager writes to the tax office inquiring about the amount of tax that must be paid this year.
- The Sales Manager receives an order of 330 goods to be delivered on Wednesday.
- The business must contact thousands of customers because a product turned out to be dangerous. An add must be put into the newspaper so that customers can return the product for a refund.

Different ways of communicating: the communication media

Information can be transmitted in several ways:

- **Verbal:** Involves the sender **speaking** to the receiver.
- **Written:** The message is **written** to the receiver.
- **Visual:** Using **charts, videos, images** or **diagrams** to communicate a message.

There is no best method of communication, so the appropriate medium of communication must be selected depending on the situation. First the sender also has to analyse the advantages and disadvantages of each type of communication.

Verbal communication

Verbal/Oral communication might be:

- One-to-one talks.
- Telephone conversations.
- Video conferencing.
- Meetings.

Pros:

- Information is transferred **quickly**. This is an efficient way to communicate in meeting to lots of people.
- There is opportunity for **immediate feedback** which results in **two-way** communication.
- The message might be **enforced** by **seeing** the speaker. Here the **body language** and **facial expression** could make the message easily understood.

Cons:

- In big meetings, we do not know if everybody is **listening** or has **understood** the message.
- It can take **longer** for **verbal feedback** to occur than **written feedback**.
- Verbal communication is **inappropriate** for storing **accurate** and **permanent** information if a message. (e.g. warning to a worker)

Written communication including electronic communication

Here are some written forms of communication:

- **Letters:** Used for both external and internal communication. Follows a set structure.
- **Memos:** Used only for internal communication.
- **Reports:** Detailed documents about any problem. They are done by specialists who send them to managers to analyse before meetings. These reports are often so detailed that they cannot be understood by all employees.
- **Notices:** Pinned to noticeboards that offer information to everyone. However, there is no certainty on whether they are read or not.
- **Faxes:** Written messages sent to other offices via telephone lines.
- **E-mails:** Messages sent between people with the same **computing facilities**. The message is printed if a **hard copy** is needed.
 - **Intranet:** A network inside a business which lets all employees with a computer message each other.
 - **Internet:** The global network for messaging anyone. (e.g. customers, suppliers)

Pros:

- There is **hard evidence** of the message which can be referred to and help solve **disputes** in the **future** over the content of the message.
- It is needed when **detailed** information is transferred: it could be easily **misunderstood**. Some countries the law states that businesses need to put safety notices up because people could **forget** them.

- The written message can be **copied** and sent to **many people**.
- **Electronic communication** is a **quick** and **cheap** way to get to many people.

Cons:

- **Direct** feedback is not always possible, unless electronic communication is used. However, this could result in too many emails sent (**information overload**). Direct feedback via other means of written communication is hard.
- It is not as easy to **check** whether the message has been **understood** or **acted upon**.
- The **language** used might be **difficult** to **understand**. The message might be **too long** and **disinterest** the reader.
- There is no opportunity for **body language** to be used to **enforce** the message.

Visual communication

Here are some forms of visual communication:

- **Films, videos, and PowerPoint displays:** often to help train new staff or inform sales people about new products.
- **Posters:** can be used to explain a simple but important message. (e.g. propaganda poster)
- **Charts and diagrams:** Can be used in letters or reports to **simplify** and **classify** complicated data. Computer technology could help in the design of these charts or diagrams. A printed copy might be needed for **hard** data to add to reports and documents.

Pros:

- Present information in an **appealing** and **attractive** way that **encourages** people to look at it.
- They can be used to make a written message **clearer** by adding a picture or a chart to illustrate the point being made.

Cons:

- **No feedback** is possible. People need to be checked via verbal or written communication to check that they have understood the message.
- Charts and graphs might be **difficult** for some people to **understand**. The message might be misunderstood if the receiver **does not know how** to **interpret a technical diagram**.

Formal and informal communication

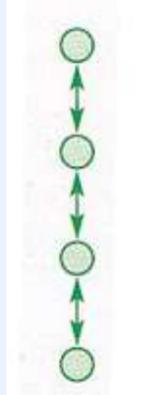
Formal communication is the channel of communication that is **recognised** by the business, such as notices on boards, emails and memos. Formal means of communication is important. It shows that the information given is true.

Informal communication might be communication between friends and co-workers. There is no set structure and the information transferred is not **recognised** by the business. This channel of communication could be used by the manager to **try out new ideas**, before publicly announcing it to the rest of a company. However, informal communication can result in **gossip** and **rumour**, and managers have no way to remove these informal links from people.

Communication nets

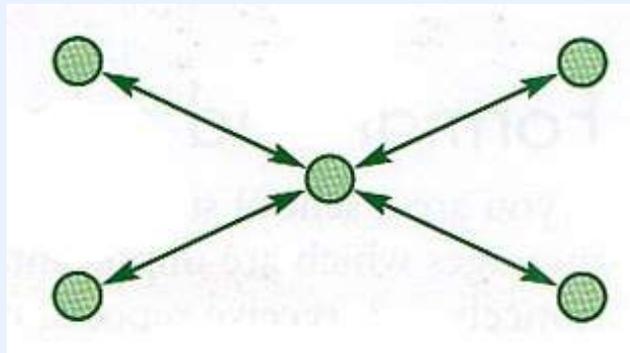
There are many groups of people in any organisation, and each of them communicate in different ways. People have connections with each other, and these links form **communication nets**. There are three standard types of communication nets:

Chain network:



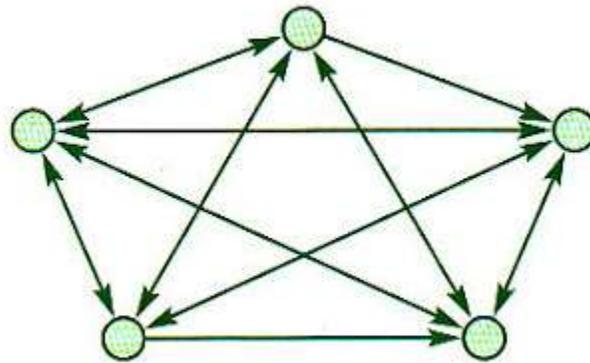
- + Can be used to transfer **important messages** from higher management levels to lower levels.
- This often leads to **one way** communication.
- The message could become **altered** as it passes through different management levels.

Wheel network:



- + The central management can pass messages to **all departments** quickly.
- The departments **cannot** communicate **directly between themselves**.

Connected network:



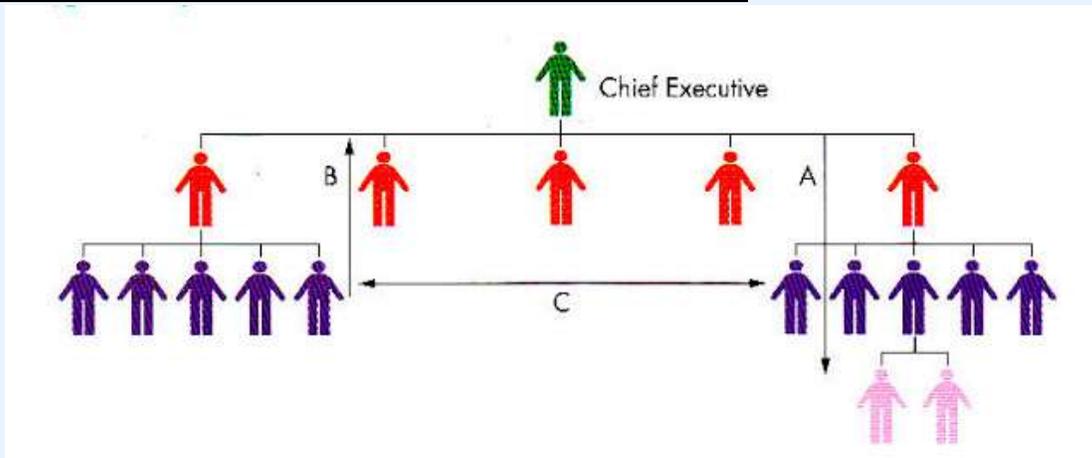
- + This is used to **create** or **discuss new ideas**.
- + It specialises in **two-way communication**.
- Can be **time-consuming**.
- There is no **clear leader** or **sender** of messages.

Which network works best?

There is again, no best network. A company is likely to use different network at **different times** or for **different groups**.

- The **chain network** is for communicating **important business policies**.
- The **wheel network** is used for sending different messages to different **departments**.
- The **connected network** is used to generate new **ideas** or **solutions** to problems where **group discussion** is the most effective.

The direction of communications



Here is an organisation chart from the book explaining the direction of communications within the business. The arrows are labeled A, B and C which shows the direction of communication:

- **Arrow A (downwards communication):**
 - Used by managers to send **important messages** to **subordinates**.

- Does **not** allow **feedback**.
- The message might be **altered** after passing different levels.
- **Arrow B (upwards communication):**
 - Used by subordinate send **feedback** to **managers**.
 - Feedback from subordinates ensures that there is **effective communication**.
 - Feedback results in higher **morale** and new **ideas** contributed to the business.
- **Arrow C (horizontal/lateral communication):**
 - People at the **same level** of management communicate with each other.
 - Information and ideas can be exchanged both **formally** and **informally**.
 - Can cause **conflict** between departments. (e.g. Production department asks the Finance department for a budget to hire new staff but is rejected)

Barriers to effective communication

As we already know, the four parts of effective communication includes the **sender**, **medium**, **receiver** and **feedback**. However, communication may fail if there are problems with one of these four features. If one part fails, it becomes a **barrier to effective communication** which might cause a **breakdown in communication** resulting in serious consequences to the business. Here are some common barriers to effective communication and how to overcome them.

Problems with sender:

- **Problem:** Language is too difficult to understand. Technical **jargon** may not be understood.
Solution: The sender should ensure that the receiver can **understand** the message.
- **Problem:** There are problems with **verbal** means of communication. (e.g speaking too quickly)
Solution: The sender should make the message as **clear** as possible and ask for **feedback**.
- **Problem:** The sender sends the **wrong message** to the **wrong receiver**.
Solution: The sender must ensure that the **right person** is receiving the **right message**.
- **Problem:** The message is **too long** with too much **detail** which prevents the **main points** from being understood.
Solution: The message should be **brief** so that the **main points** are understood.

Problems with the medium:

- **Problem:** The message may be **lost**.
Solution: Check for **feedback**. Send the message **again!**
- **Problem:** The **wrong channel** has been used.
Solution: Ensure the **appropriate channel** is selected.
- **Problem:** Message could be **distorted** after moving down a long chain of command.
Solution: The **shortest channel** should be used to avoid this problem.
- **Problem:** **No feedback** is received.
Solution: **Ask** for it! Use **different methods** of communication (e.g. meeting)

- **Problem: Breakdown** of the medium.
Solution: Use **other forms** of communication.

Problems with the receiver:

- **Problem:** They might not be **listening** or **paying attention**.
Solution: The **importance** of the message should be **emphasised**. Request **feedback**.
- **Problem:** The receiver might not like or **trust** the sender, and may be **unwilling** to **act upon** the message.
Solution: **Trust** is needed for effective communication. Use **another sender** to communicate the message.

Problems with the feedback:

- **Problem:** There is **no feedback**.
Solution: **Ask** for feedback. Use a different **method** of communication which **allows feedback**.
- **Problem:** The feedback is received **too slowly** and may be **distorted**.
Solution: **Direct lines of communication** should be available between the subordinate and the manager.

Note: The **forms** of communication are: verbal, written and visual.

The **methods** of communication can be: telephone, e-mail, meeting, etc...