*Def:* Communication is the exchange of information in a firm. It involves sending messages through a channel to a target group then receiving some feedback from the recipient that the message has been understood & acted on.

**Choosing the method of communication:**
The following factors should be considered when choosing a method of communication
- **Cost,** how expensive is the method, telephone call, letter, fax etc.
- **Speed,** how fast can the information be transformed
- **Secrecy**, if the information is confidential the method of communication is of utmost importance, e.g. face to face meeting
- **Record kept**, it is very important to keep a record of all messages
- **Distance**, if the communication has to travel a long distance, speed, cost and confidentiality will be the important factors.
- **Urgency**, if the message is urgent, the choice of method becomes limited to options such as phone calls, faxes or e-mails.
- **Recipient** has he/she a computer/fax. Is a response required, is it important to see the other person's response, and is the language important.

**Effective Communication** is clear, understandable and the recipient must be able to respond.

**Barriers to Communication**
1. **Language** – if too much jargon is used the message might get misunderstood.
2. **Listening** – if the receiver is not listening/concentrating the message might be lost
3. **Relationships** – if the relationship between the sender & receiver is poor, communication may be ineffective.
4. **No feedback** – getting no confirmation the message was received
5. **Wrong method** – for example using the phone when a letter would be more appropriate.
6. **Lack of planning** – the message & the reasons for sending the message were not planned in advance

**Basic Communication skills**
- ✓ Speak in a language suitable to the listener
- ✓ Write clearly and use visuals to clarify information
- ✓ Listen to people & be able to obtain feedback
- ✓ Read & understand body language
- ✓ Be aware of the listeners needs

**#INTERNAL COMMUNICATION**
Is between the people in the organisation. The following are the types of internal communication that operate within firms.

| |
|---|
| *Horizontal* – managers dealing with managers |
| *Upward* – workers dealing with supervisors/manager |
| *Functional* – dept. managers dealing with other dept. managers |
| *Downward* – MD giving orders to other lower level staff members |

# #EXTERNAL COMMUNICATION

Takes place between a business and other parties (people, agencies, other firms).
This also includes, banks, suppliers, customers, insurance companies, interest groups, revenue commissioners, and Government depts. Etc.

## Examples

| Internal Communication | External Communication |
|---|---|
| **Oral**<br>➢ Face to face<br>➢ Internal phone system<br>➢ Intercom<br>➢ Meeting | **Oral**<br>➢ Face to face<br>➢ Radio<br>➢ Telephone/answering machine<br>➢ Public meeting<br>➢ Mobile phone<br>➢ Pager |
| **Written**<br>➢ Report<br>➢ Notice board<br>➢ Internal magazine<br>➢ Suggestion box<br>➢ Internal computer network<br>➢ Memorandum | **Written**<br>➢ Newspaper<br>➢ Post<br>➢ External computer network<br>➢ Press statement<br>➢ Business documents |
| **Visual**<br>➢ Flip charts<br>➢ Overhead projector<br>➢ Slides<br>➢ Video<br>➢ Line graph<br>➢ Pie/Bar chart<br>➢ Pictogram<br>➢ Break even chart | **Visual**<br>➢ Internet/email/www<br>➢ Video-conferencing<br>➢ Teleworking<br>➢ Fax<br>➢ Electronic Data Interchange (EDI) |

## #ORAL COMMUNICATION uses speech to convey meaning.

One of the principal forms of oral communication within the business environment is that of *meetings.*

**Meeting** – is a gathering of people to exchange ideas and make suggestions, enabling collective decision - making.

*Reasons for holding meetings:*
- ✓ To give information about plans, events, decisions made
- ✓ To receive information – people's opinions, different opinions
- ✓ To make decisions
- ✓ To achieve co-ordination between different departments within a organisation

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*Types of meetings:*
- A) <u>Ad hoc meetings</u> – a once off meeting to help discuss & solve immediate problem that has arisen.
- B) <u>AGM</u> – a meeting held once a year involving directors, shareholders of a firm discussing events of the previous 12 months & future plans
- C) <u>EGM (extraordinary general meeting)</u> – a meeting of shareholders to discuss important matters that cannot wait until next AGM
- D) <u>Formal meeting</u> – such as staff meeting, meetings of BOD's, this type of meeting is pre – planned
- E) <u>Informal Meeting</u> – takes place regularly as staff members bounce ideas off each other & listen to each others views

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*Meeting Structure:*
The chairperson & the secretary are at the top table at meetings.

| **Chairperson** - is responsible for the running of a meeting. | **Secretary** – responsible for all administration work in the company |
|---|---|
| **Duties** | **Duties** |
| 1) Planning the meeting, time, date, place | 1. Drawing up the agenda in consultation with the chairperson |
| 2) Drawing up the agenda in consultation with the secretary | 2. Sending out the notice/agenda of the meeting to all members |
| 3) Running the meeting, opening the meeting, welcoming those present, calling the meeting to order, ensuring that a quorum is present, making sure agenda is followed, maintaining order | 3. Reading the minutes of the previous meeting |
| 4) Ensuring that the minutes of the previous meetings are read, adopted by those present, and signed. | 4. Dealing with any administration work within the company |
| 5) Allowing discussion on matters only on the agenda | 5. Writing up notes of the meeting in question |
| 6) Allowing the present time to express their views | 6. Keeps a record of all new members/shareholders |
| 7) Putting motions to a vote | |
| 8) Summarising the main decisions made & declaring the meeting closed | |

**Notice** – give the date & time of meeting in question

**Agenda** – is a programme for the meeting, that is, the list of matters to be discussed and the order in which it will be discussed

**Minutes of a meeting** – are a brief & accurate record of the business transacted at a meeting. It should contain details of proposals and decisions made.

*__NB:__ for relevant examples of the three terms mentioned you will have to look in your textbook*

## + WRITTEN COMMUNICATION

This is used primarily if the information to be communicated is detailed, complex and requires a copy. They should be accurate, brief & easily understood.

### 1. Memorandums (Memos)

Used for internal communication. They are used for giving information, reminding people of events, giving instructions etc. there is usually only one topic and they may be typed or handwritten.

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2. **Reports** - this is a formal presentation of written information about a specific topic sent to a particular person or group. Reports are used for the following reasons
   - ✓ Information about progress of a project
   - ✓ Providing a written record of some event
   - ✓ Evaluating a study and recommending a course of action to take

*Types of reports:*
   - ✓ Routine reports – made at regular intervals during the year, e.g. sales reports etc
   - ✓ Special reports – prepared on the instruction of management, requiring information about decision making

*Rules of report writing:*
   1. Purpose of why report is needed must be clear & have easily
   Understood objectives
   2. Simple language must be used
   3. Should be as brief as possible
   4. Should be presented in logical sequence
   5. Should be well researched and accurate

*Structure of a Formal Report*
   1. Title - title of report, writers name, who report is for, date
   2. Terms of reference – purpose of why report is written
   3. Procedure – how the information was gathered, e.g. interview, questionnaire etc
   4. Findings – outline of the main findings of report, this takes up the bulk of the report
   5. Conclusion 6. Recommendations – the report writer draws a conclusion to the main finding of the report & recommends possible solutions to their business failings.
   7. Closing Section – the writer signs off, using his/her name and the date the report was presented

# + DATA STORAGE

Businesses nowadays now keep a lot of written records about customers. As a result the business comes under following act:

### Data Protection Act (1988)

The data protection act was passed to deal with privacy issues arising from personal information about people kept on a computer, as distinct from manual files.

The act gives rights to individuals and puts responsibilities on those who keep personal information on computers.

**Key terms:**

**Data** – information in a form in which it can be processed

**Data subject** – a person who is the subject of personal data, e.g. employee

**Data controller** – a person/firm that controls the content & use of personal data, e.g. a firm/company

**Data processor** – person/firm that processes personal data on behalf of a data controller, e.g. a computer bureau

**Data commissioner** – appointed by the act to oversee the Act and to maintain a register of all data controllers

### *Enforcement of the Act*

The data protection act established the data protection commissioner. His/her role is to ensure that those who keep personal information on computer comply with the provisions of the act.

# + VISUAL COMMUNICATION

This refers to the use of pictures and diagrams to communicate information. The following are main methods of transferring information visually.

- ❖ Line graph
- ❖ Bar chart
- ❖ Pie chart
- ❖ Maps
- ❖ Gantt chart
- ❖ Pictogram

**NB:** *for further information/examples on these types of visual aids/written communication please use your textbook.*

**Key Terms:**

**ISDN** – this is a network of telephone lines that can send & receive information at higher speed than normal lines. ISDN applications include File Transfer, Fax, Teleworking, and Video conferencing.

**EDI** – electronic data interchange, used by firms for intercompany transactions. EDI relies on computers having compatible technology. It allows documents to be sent from one computer to the next without having to print document.

**File Transfer** – the ISDN line allows the computer files to be transferred quickly and efficiently through the link up to computers in different companies.

**Teleworking** – ISDN makes it possible for computers to linked to telephone lines and results in the person being able to work from home via the computer.

**Video conferencing –** a meeting between different people in different places. Visual communication is done through camera and monitor usage where as sound signals are transmitted over a telephone line.

**E – commerce** – is a method by which goods & services are bought & sold over the Internet. This is done through two ways  1- Business to consumer
                                                                    2- Business to business