

## Communications – Chapter 7 Management Skill

**Communication** → the transfer of information between people.

- **Formal:** passed through the approved channels of communications e.g. memos, reports.
- **Informal (grapevine):** the informal network in all organisations/industries e.g. gossip.

### **Methods of communication:**

- **External:** used to communicate with people outside the business such as customers, public, e.g. ads, telephone calls, email, letters, video conferencing, press conference, financial statements.
- **Internal:** used to communicate with staff in the business, e.g. emails, notice boards, internal phone, intercom, meetings, memos, suggestion box.

### **Communications between internal stakeholders:**

- 1.) **Decrease confusion** → employees: ensures the correct work is done, on time, to high quality standard.
- 2.) **Improved decision making** → managers have relevant information to ensure decisions are made, which also helps effective teamwork.
- 3.) **Accurate feedback** → investors need accurate information about the financial performance, so they can be confident and willing to invest.

### **Communications between external stakeholders:**

- 1.) **Customer feedback** → informs customers of new products or problems to improve customer satisfaction, forgiveness and loyalty.
- 2.) **Timely communication** → suppliers need to know of all supply needs and businesses need to know of any delays/problems with the suppliers.
- 3.) **Problem solving** → communication with the government when looking for grants, lobbying or reporting breaches of any acts.
- 4.) **Honest public relations** → good reputation with society makes it easier to recruit staff/customers and avoid conflict.

### **Channels of communication:**

↑ **Upward** – up the chain of command to supervisors and managers.

↓ **Downward** – down the chain to subordinates.

↔ **Horizontal** – between people of the same rank or authority.

## Communications – Chapter 7 Management Skill

### Types of Communication.

#### Oral

Advantages	Disadvantages
Speed - Quick response	Lack of record
Feedback	Lack of preparation
Personal	Listening skills of receiver
Understanding – emotion, body language	

#### Visual

Advantages	Disadvantages
Useful for statistical analysis	Lack of detail
Clarity	Requires another type to assist.

#### Electronic

Advantages	Disadvantages
Speed + instant feedback	IT literate and skills
Cost – flat rate	External factors

### **MEETINGS**

**Meeting** → when two or more people get together to communicate with each other.

Notice – an invitation to all members

Agenda – a list of topics to be discussed at the meeting; in order of importance.  
pg 117

Quorum – a minimum number of people must be present before a meeting starts.

Minutes – summarised written record of what happened. Pg 121

#### **Functions/advantages**

- 1.) Provide *information* and pass on *instructions* to staff. Also face-to-face helps to build up *trust* and *good working relationships*. Saves time.
- 2.) *Discuss* an issue and share views/ideas. To solve problems.
- 3.) Make democratic *decisions* quickly and effectively. Brainstorming. Voting takes place.

## Communications – Chapter 7 Management Skill

### Types:

- **Formal** → highly structured as they are planned and run according to agreed procedure (involves a chairperson and secretary).
- **Annual General Meeting (AGM)** → open to all shareholders in a company → Director's reports, shareholder questions and election of the board of directors.
- **Extraordinary General Meeting (EGM)** → to discuss a very important/emergency matter that cannot wait until the next AGM.
- **Ad Hoc** → take place at short notice to deal with a problem/issue that has arisen.

**Chairperson:** is responsible for the correct running of a meeting. Their duties include:

- Set an **agenda** → the summary list of all items to be dealt with at the meeting.
- **Open** the meeting → also must ensure the **quorum** (minimum number of people who must attend before an official meeting can begin) are present.
- **Standing orders** (agreed rules for a meeting) are followed.
- **Facilitate contributions** → allow everyone reasonable and equal time to express their opinions.
- **Keep order.**
- **Call for votes** → and if it reaches a deadlock they have the casting vote.

**Secretary:** is responsible for notifying participants in advance of meetings and must take minutes (a written record of what was discussed and decided at the meeting). Their duties include:

- 1.) **Before the meeting** → notifies attendees of the meeting, with a copy of the agenda. Arranges the venue, materials and resources.
- 2.) **During the meeting** → reads out previous minutes (to be signed by the chairperson) and takes written notes.
- 3.) **After the meeting** → writes minutes and circulates them as soon as possible to ensure accuracy. Arranges next meeting with chairperson.

**Communications – Chapter 7  
Management Skill**

**Notice and Agenda for AGM** → start: where the meeting will be, at what time, on what date.

<b>Company:</b>	<b>Club:</b>
1.) Minutes of last AGM.	1.) Minutes of last AGM.
2.) Matters arising from the minutes.	2.) Matters arising from the minutes.
3.) <u>Chairperson's report.</u>	3.) <u>Club Chairperson's report.</u>
4.) <u>Auditor's report.</u>	4.) <u>Club Auditor's report.</u>
5.) A.O.B	5.) A.O.B
Secretary's signature	Secretary's signature

Organising a Formal Club Meeting:

- They are non-profit organisations.
- Members pay to join, like shareholders invest.
- They have management committees, not boards of directors.
- Members pay an annual fee/subscriptions – no dividends.
- Slightly different agenda items.

**MEMOS**

**Memos** (memorandums) are short written notes about one particular issue.

- Common internal communication
- Written record
- One topic, very brief (3/4 lines)

To: \_\_\_\_\_ Date: \_\_\_\_\_  
From: \_\_\_\_\_ Subject: \_\_\_\_\_

---



---



---

Signed:

## Communications – Chapter 7 Management Skill

### LETTERS

#### Letter Format

Letterhead

Contact details

Date

Addressee/Receiver

Re.

Salutation

Body of letter

Close (yours ... Known name = sincerely, unknown name = faithfully)

Signed (then printed)

Title

Encl.

### REPORTS

**Report** – written document about a specific topic/issue presenting information, evaluation and recommendations to the specific person or group who requested it.

#### Reasons for reports:

- **Investigate** → an incident and explain what happened.
- **Problem solving** → e.g. recommending new business strategies.
- **Identify solutions** → possible courses of action and their implications.
- **Progress reports** → e.g. sales trends.

#### Layout of a Report:

- 1.) **Title** → sets out the objective of the report, together with the name of the person who commissioned the report and the person who wrote it.
- 2.) **Table of contents** → a list of each section of the report and the page number where it can be found.
- 3.) **Executive Summary** → brief summary of major findings and conclusions.
- 4.) **Terms of Reference** → sets out the issues that the report writer was asked to investigate and the instructions given to her on how to carry out the investigation.
- 5.) **Findings** → sets out the basic facts that were discovered by the report writer.
- 6.) **Conclusions and recommendations** → report writer sets out the reasons for the event and what actions they feel should be taken.
- 7.) **Appendices** → contain extra, more detailed information such as statistics that readers can refer to if they wish.

## Communications – Chapter 7 Management Skill

8.) **Bibliography** → sets out all sources of information used.

### Sample Report – 2002 HL Q4

- 1.) Title – Four main barriers to communication in Alpha Ltd.
- 2.) Table of contents – Page 1 = Report
- 3.) Executive Summary – The four main barriers to effective communication in the company are jargon, prejudice, information overload and poor listening skills.
- 4.) Terms of Reference – To explain the four main barriers to effective communication in the business.
- 5.) Findings/Main body – The main barriers to effective communication in the business are as follows:
  - a) Jargon – explain – example (accountant asking managers for their P&L, when they don't know what that is)
  - b) Prejudice – explain – example (ignoring complaints from temporary staff, resulting in two serious incidents which could have been prevented)
  - c) Information overload – explain – example (too many memos are sent so they end up not getting read and are binned)
  - d) Poor listening skills – explain – example (manager was too defensive when listening to complaint so didn't hear the complaint as she was thinking of what to say next)
- 6) Conclusions and Recommendations – better communication can be achieved by avoiding jargon, prejudice, information overload and by improving listening skills.
- 7) Appendices
- 8) Bibliography

### Qualities of a Good Report:

- **Informative** → relevant information on topic in terms of reference
- **Analysis** → provides good analysis of topic
- **Decision-making** → assists management by providing accurate, clear and realistic information.

### Evaluation of Reports:

- + Informative
- + Provides detailed research
- + Helps make informed decisions
- + Allows managers to prioritise tasks
  - Lengthy
  - Excuse to procrastinate
  - Possible poor enforcement

## Communications – Chapter 7 Management Skill

### Visual Communications

- 1.) **Pie charts** → compare categories like slices of pie.
- 2.) **Pictograms** → Diagrams that use small pictures to represent quantities.
- 3.) **Bar charts** → used when comparing a large number of different categories.
- 4.) **Gantt charts** → used to visually show the time taken to complete work versus the amount originally planned.
- 5.) **Maps** → show physical locations
- 6.) **Organisational charts** → who does what and how they are connected
- 7.) **Breakeven charts** → shows level of sales required to make a profit
- 8.) **Graphic design** → uses computer software to communicate effectively.

### Choosing a Method of Communication:

- **Cost** → business is about making a profit and so costs must be kept to a minimum. A cheap, effective method is email as a company can send as many as it wants at a flat fee.
- **Urgency** → if it is urgent it must get to the receiver as quickly as possible. Telephone is the quickest, letter is the slowest.
- **Confidentiality** → if it is private/ contents are top secret, the method must be confidential, such as face-to-face.
- **Nature of the message** → contents can determine the best method, for example if proof is needed or if the message is long, detailed and complicated the best method is written.
- **Legal requirements** → the law of a country may determine the method; for example, in Ireland for an agreement to buy a house to be legal it must be in writing.

### Barriers to Effective Communications:

- 1.) **Language** → if the sender uses words in their message that the receiver doesn't understand or if they use jargon, the receiver may not know what the message is about and they won't be able to act on it appropriately. Jargon is a technical language used by people in a specific industry/workplace that only they understand.
- 2.) **Prejudice** → if the receiver has a personal bias against the person sending the message, they might not listen to what is being communicated therefore the message does not get through.
- 3.) **Information overload** → if the message contains too much information, it can make it very hard for the receiver to take it all in. They might get lost and frustrated with it and may even tune out and give up trying to understand the message.

## **Communications – Chapter 7 Management Skill**

- 4.) **Poor listening skills** → proper communication involves receiving information as well as giving it. Some people don't listen properly. They may be thinking about what they are going to say next or get distracted therefore they cannot receive information properly and act on it appropriately.
- 5.) **Trust** → If the receiver cannot trust the sender to tell the truth they will not listen to the message, let alone act on it appropriately. The person may have 'cried wolf' in the past and no longer are regarded as trust worthy.
- 6.) **Timing** → if the message is sent too late, the receiver may be unable to act upon it in time and therefore the communication is useless.

### **Importance of Good Communications/ How to Overcome the Barriers to/ineffective communication.**

- 1.) **Appropriate language** → avoid jargon, this will insure the receiver understands perfectly and acts upon it in the way the business wants.  
E.g. Managers must speak clearly and simply when giving employees instructions, otherwise they will not understand and be unable to do the job expected of them.
- 2.) **Read and write well** → important to use clear and concise good English for understanding.  
E.g. It's important an entrepreneur can read and write well when filling in applications for government grants and loans. Otherwise they might not get the finances needed.
- 3.) **Send the message in time** → otherwise the receiver will not be able to act on it in the way the business wanted.  
E.g. If the secretary send the notice and agenda for a meeting too late, some people may be busy and miss the meeting. Bad decisions could be made without their input.
- 4.) **Listen carefully** → receiver will understand the message exactly as intended.  
E.g. A manager must listen to what the employees trade union says. If not, a strike may occur, resulting in a loss in sales and profits.
- 5.) **Honesty** → trustworthy; if not, people will not believe communications and act appropriately.  
E.g. It's important managers are honest with employees about reasons for change. This will make acceptance of change easier.

## Communications – Chapter 7 Management Skill

### How can ICT help business communications?

- **Internet** – an international network of computers connected through the telephone network.
- **Email** – allows docs, pictures and audio files to be sent simultaneously.
- **Intranets** (Internal computer networks) – networks of computers within a business.
- **Electronic Data Interchange (EDI)** – an automated stock ordering system that allows orders to be placed automatically from a computer in one business to a computer in another business, using the internet → speeds up ordering, reduces costs, improves cash flow and increases customer satisfaction
- **Low-cost** communications – telephone, video conferences etc
- **Video conferencing** – a type of virtual meeting where participants can see and hear each other through the use of video cameras, telephone links and monitors.
- **Computer software applications** – such as word processors, databases and spreadsheets.
- **Database software** – stores huge amounts of data electronically.
- **Word-processing software** - professional quality reports, letter and other docs.
- **Spreadsheet software** – does complex financial and statistical calculations
- **Desk top publishing** – Produces professional quality leaflets, brochures, websites etc.

## Communications – Chapter 7 Management Skill

### **Benefits of ICT to business:**

- Faster communication → large data files can be sent instantaneously over the internet.
- Advertising to a global audience cheaply generates sales.
- Stakeholder relations are enhanced → by websites, emails and videoconferencing.
- Reduced marketing costs → more consumers buy online than in premises,
- Reduced staff travel costs → meeting replaced by email and videoconferencing.
- Staff motivation may increase with the option on teleworking.

### **Risks of ICT to business:**

- Information security → comp systems are vulnerable to infections that can steal or destroy information.
- E-crime → e.g. online credit card fraud can reduce customer confidence.
- Business disruption risks → increase if a business heavily relies on ICT.
- Can be expensive → due to rapid changes in tech and constantly upgrading.

## Communications – Chapter 7 Management Skill

### The Data Protection Act 1988/2003

**The Data Protection Act 1988 & 2003** requires that any organisation storing information on other people on computer or in manual files must ensure that the information is accurate and kept up to date.

A **data subject** is anyone who has information held about them on someone else's computer.

**Data controllers** are people or organisations that keep information about other people on their computers.

#### Rights of Data Subjects:

- **Right of access to files** → the right to know how much of what type of information is kept on them. Also has the right to a full copy of this information within 40 days of asking for it.
- **Right to correction of errors** → to have inaccurate data about yourself corrected or deleted. Also the right to be removing from any direct marketing mailing lists. All within 40 days on a written request.
- **Right to compensation where inaccurate information causes harm** → e.g. when applying for a loan or promotion. Complaints can also be taken to the Data Protection Commissioner.
- **Right of individuals not to be subjected to automated decision-** making but to have human-input.

#### Responsibilities/Obligations of Data Controllers:

1. **Provide security** - Keep data protected against unauthorised access and alterations. Passwords, shredding paper.
2. **Provide a copy** - Within 40 days of a written request. Codes must be clearly explained. Can charge a fee (max €6.35)
3. **Obtain information** openly and fairly - What the information is for and who will see it.
4. **Use data** - Only for specific purpose provided and delete when no longer needed.

## Communications – Chapter 7 Management Skill

**Data Protection Commissioner** → responsible for ensuring that the Data protection acts of 1988 & 2003 are obeyed.

- Provides info to the public
- Maintains a register of organisation which may hold sensitive info (public bodies, financial institutions, insurance, direct marketing, anyone keeping personal information)
- Helps develop business codes of practice.
- Investigate complaints from the public or using his own initiative.
- Enforcing compliance with the act (correct data/erase data – “enforcement notice”)
- Power to obtain information from data controllers (“information notice”)