

Section 2 People in business

Chapter16 The importance of good communication in business

Overviews

1. The nature of communication ?
2. The difference between internal and external communication
3. The important of good communication
4. The difference methods of communication, their benefits and their limitation

1. What is communication ?

Communication is about sending and receiving information.

2. How does communication take place?

Communication channels: routes along which information might travel in a business

1. Downward communication

- Downward communication : passing messages from the top of the organisations to those at the bottom
- Downward communication is important because
 - 1) Managers can guide and lead subordinates.
 - 2) Employees can carry out decisions made by management.
 - 3) Manager can control and organise.

2. Upward communication

- Upward communication : passing messages from the bottom of an organisation to those at the top
- Upward communication is important because
 - 1) Managers understand the views and needs of subordinates.
 - 2) It make managers aware of problems
 - 3) Staff feel that they are valued
 - 4) Manager can get information for making decisions.

3. Horizontal communication

Horizontal communication : when workers on the same level in the organisation exchange information. E.g. communication within a department

3. Internal and external communication

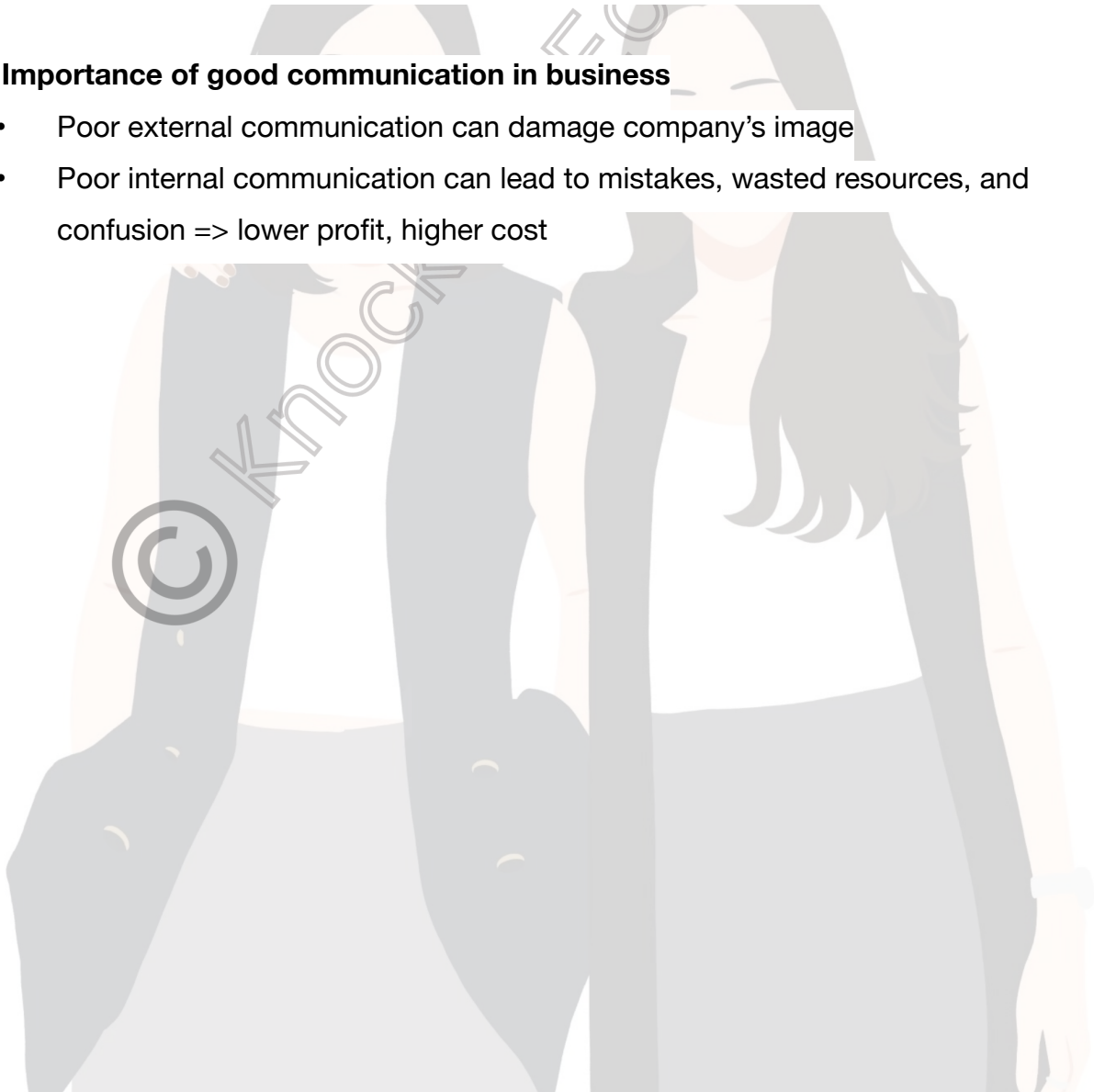
1. **Internal communication** : communication between people inside the business
2. **External communication** : communication between the business and those outside such as customers, investors or the authorities

4. Formal and informal communication

1. **Formal communication** : use of recognised channels when communicating
2. **Informal communication** : use of non-approved channels when communicating

5. Importance of good communication in business

- Poor external communication can damage company's image
- Poor internal communication can lead to mistakes, wasted resources, and confusion => lower profit, higher cost



6. Methods of communication

Methods	Advantages	Disadvantages
1.Face to face communication		
1.Face to face communication When spoken information is exchanged by people who can see each other.	<ul style="list-style-type: none"> • Allow immediate feedback • Encourage cooperation • Allows new ideas to be generated 	<ul style="list-style-type: none"> • Negative body language • Cannot record message • Non relevant information may be included
2.Written communication		
2.1 Letters	<ul style="list-style-type: none"> • Flexible to send to a variety of people • For private communication and provide record of information 	<ul style="list-style-type: none"> • Letter writing can take time and effort for some employees with poor written skills
2.2 Reports	<ul style="list-style-type: none"> • To communicate important information in a formal manner Short or complex and detailed 	<ul style="list-style-type: none"> • Takes time to research and write
2.3 Memorandums (short written notes)	<ul style="list-style-type: none"> • Contain brief messages 	
2.4 Forms	<ul style="list-style-type: none"> • Used to communicate routine information • Application forms for jobs, loans or licenses 	<ul style="list-style-type: none"> • Forms may be inflexible and out of date
2.5 Noticeboards	<ul style="list-style-type: none"> • Cheap to use and can pass on information to many people 	<ul style="list-style-type: none"> • Untidy and overlooked
3.Electronic communication		
3.1 Email	<ul style="list-style-type: none"> • Can send message and images via computer 	<ul style="list-style-type: none"> • Message may be ignored. • Many email and do not have time to read

3.2 Internet	<ul style="list-style-type: none"> • It can be used for internal and external communication 	<ul style="list-style-type: none"> • Computer virus can result in the loss of files.
3.3 Mobile phones	<ul style="list-style-type: none"> • Text message/short memo • Cheap 	
3.4 Social media sucg FB,IG Twitter	<ul style="list-style-type: none"> • Can get communicate with customers around the world • Can get information about customers perception on the new product • Up to date information 	
3.5 Intranet Where all the computers in a department are linked together	<ul style="list-style-type: none"> • Enable users to access common information. The changes in information and company events can be updated 	<ul style="list-style-type: none"> • It is impossible to get broadband connection in some areas. • Connection can be lost
3.6 Videoconferenci ng and teleconferencing	<ul style="list-style-type: none"> • Face to face communication between people in different locations. 	
3.7 public address(PA) systems	<ul style="list-style-type: none"> • Used in the factories, hotels, and large stores to pass on info to staff and customers by broadcast over the loudspeaker system. 	
3.8 Electronic notice boards	<ul style="list-style-type: none"> • Similar to PA except that written messages, picture, video, and sound are used. 	