This chapter covers Unit 1, Module 3, Section 8 of the CAPE syllabus.
On completion of this chapter you should be able to:

- understand the main stages in the communication process including the significance of managing feedback
- identify and explain the main barriers to effective communication
- list the main communication methods and analyse their advantages and disadvantages
- understand the differences between formal and informal communication channels and vertical and horizontal communication
- recognise the importance of communication dynamics at the employer-employee interface and in customer relations

Diagram of the communication process

Introduction
Communication is the exchange of information between people or groups. It is only effective communication if the message has been received and understood by the receiver and the sender knows that it has been understood. Figure 10.1 shows the key features of successful communication:

- sender (or transmitter) of the message,
- clear message,
- appropriate medium (way in which the message is sent),
- receiver,
- feedback to confirm receipt and understanding.

If the message has been sent, but there has been no form of feedback, then the effectiveness of the communication cannot be judged. Feedback is defined as the response to a message by the receiver.

All businesses communicate. They communicate externally – with suppliers, customers, shareholders and the government, for example. The significance of effective external communication is obvious – a potential customer confused about a product’s qualities because of a poor advertisement or suppliers delivering to an incorrect address are just two examples of what can go wrong. Internal communication is between different people or groups within the organisation.

![Diagram of the communication process](image)
The diagram (figure 10.1) shows that, to be effective, there should be a clear message sent to the appropriate receiver, with feedback to ensure that the message has been received and understood.

**Why is effective communication important?**
The quality and effectiveness of internal communication can have an impact on many areas of business:

- *Staff motivation* – and thus labour productivity. If staff are encouraged to participate through group discussion, for example, then effective communication will aid motivation.
- *The number and quality of ideas generated by the staff* – if staff are asked for their ideas then this can assist with problem solving.
- *Speed of decision making* – the more people who have to receive and react to a message then the slower will be the decision-making system.
- *Speed of reaction to changing conditions, for example market changes* – if consumer reactions take a long time to reach the decision makers at the head of an organisation then response times will be slow too.
- *The response of the receivers* – incorrect understanding of the message will lead to incorrect responses.
- *Effective co-ordination* between departments will be aided greatly by good communication links between them.

For these reasons it is important for managers to think carefully about how messages are sent and the form they should take. Poor communication will lead to demotivated staff, unco-ordinated departments and a lack of overall direction for the organisation.

**Communication methods – the media used in communicating**
The choice of the method used to communicate a message can have a significant impact on effectiveness. The range of media available can be classified as follows:

- *Oral communication.* This can be one-to-one conversations, interviews, appraisal sessions, group meetings or team briefings. It allows for two-way communication and feedback and this should encourage good motivation. It is instantaneous and evidence of who attended the meeting, and therefore received the message, can be retained. It allows the sender or the transmitter to reinforce the message with appropriate body language.
- *Written communication.* Many managers still like everything to be in writing. They will therefore tend to use letters, memos, notices on boards, reports, minutes of meetings and diagrams for technical matters, such as house plans. Written messages can be referred to more than once, they should be an accurate record and they allow for the transmission of detailed data. However, they eliminate supporting body language, do not allow for immediate feedback and there is often no evidence that the message has been received and/or understood.
- *Electronic media.* These have the benefit of speed and are often combined with a written record. Internet and e-mail use, intranets (internal computer links), fax messages, video conferencing and mobile cellphones (which also allow oral communication) have all revolutionised business communications in recent years. These applications
of electronic media do have their drawbacks. They may require staff to be trained and the young are usually much more proficient in their use than older employees. They reduce human contact and can create a sense of isolation and an important social need may go unsatisfied. Finally, there is increasing evidence that IT can lead to communication overload as a result of the speed and low usage cost of these methods. Too many messages – for example, the sheer volume of e-mail messages can take some workers several hours to reply to each day – can prevent the really important communication from being noticed and acted upon. Too much information can also cause stress and a feeling of over-work. The benefits offered by IT and other electronic methods have to be weighed against their actual cost – in terms of equipment and training – and their other potential drawbacks.

- Visual communication. This can be used to accompany and support oral, written or electronic communication. Diagrams, pictures, charts and pages of computer images can be presented by using overhead projection, interactive whiteboards, data projectors, videos and other means. The impact is increased if colour and/or movement are used. This form of communication is particularly useful in training or in marketing.

### Factors influencing choice of appropriate media

Managers will consider these factors before deciding on the best communication method:

- the importance of a written record that the message has been sent and received, for example an important new contract;
- the advantages to be gained from staff input or two-way communication, for example a new staff shift system proposal could be discussed before implementation;
- cost – electronic media often require expensive capital resources but memos are cheap and the cost of management time in meetings should not be overlooked;
- speed – electronic means can be quick but is this more important than allowing time for views to be aired;
- quantity of data to be communicated – the longer and more detailed the message the less likely it is that oral communication will be adequate;
- whether more than one method should be used for clarity and to be sure that the message has been received – a quick telephone call followed up by an official letter or order form will achieve both speed and accuracy.

### Barriers to effective communication

#### Selective perceptions

When a message is received it has to be interpreted and understood (‘perceived’) but different people will...
perceive the same message in different ways and, quite possibly, in a different way to what the sender of the message was trying to convey. This can mean that the understanding of a message received by the receiver can be quite different from that intended by the sender – hence, a barrier to communication exists.

The receiver’s perception of the content of a message can be selective or filtered. Cultural or personal factors lead to messages being filtered and decoded in different ways by different individuals. Cultural factors are considered below but here are some personal factors that can lead to selective perception that may result in a message being misunderstood:

- tiredness,
- emotion,
- language difficulties,
- poor attitude,
- poor relationship with sender,
- social or family problems,
- lack of experience in dealing with the technical terms contained in the message,
- beliefs,
- social class and status – many people tend to listen uncritically to persons of high status and dismiss those of low status.

Attitudes

Poor attitudes of either the sender or the receiver

(a) If the sender is not trusted – perhaps because of previous misleading messages or unpopular decisions – then the receiver may be unwilling to listen to or read the message carefully.

(b) Unmotivated or alienated workers make poor receivers. If workers have never been consulted on important issues before then they may become very suspicious if the management style seems to be changing towards a more participative one. Workers with little interest in their work will not want to take the trouble to ensure that communication is effective.

(c) Intermediaries – those on the communication channel – may decide not to pass on a message, or to change it, if they are poorly motivated. This could occur, for example, if there has been a supplier’s query about an order or a customer complaint.

(d) The sender may have such a poor opinion or perception of the receiver that no effort is made to ensure clarity of message or to check on understanding.

Noise

Noise means more than physical noise in the workplace that prevents an aural message from being heard and understood – but this is still an important reason for communication breakdown in some work environments. Noise can also mean anything that might distort or interrupt effective communication. Here are two common examples:

- Communication overload – too many messages being received, which may prevent the receiver from filtering out the unimportant ones and focusing on the priority messages. This can be a particular problem with electronic forms of communication, such as e-mail, which is so easy and quick that it encourages a vast number of relatively insignificant communications.

- Mental distraction – not concentrating on the message being received, perhaps because the attention of the receiver is elsewhere. It may be caused by a physical attraction – or repulsion! – between the receiver and the sender so that the actual message is not being concentrated on.

Cultural bias

This means interpreting and judging communication in terms particular to one’s own culture. Cultural bias occurs in communication when the use of language is understood in different ways by people of different cultures.

A simple example would be assuming that the receiver of the message can understand the language and jargon of the sender. An amusing story may be acceptable to people of a Western culture but may be deeply offensive to a citizen of Asia. Even the use of colour in a message may be interpreted in different ways – red is a ‘warning’ colour used in the West, for example for debt balances in a bank account, but in China it is the colour representing good fortune. Notation may be different too – the Japanese do not put an X in a check-box to indicate acceptance, in their experience this always indicates refusal.
Unit 1 – Business and its environment

Activity

* Read the case study below and then tackle the exercises that follow.

Case study – Palm Nut Oils Ltd

Managers want workers to share ideas they may have about working processes, so a notice is placed on the canteen noticeboard and a suggestion box is placed in the canteen at Palm Nut Oils factory.

On and after Jan. 1st a payment of $25 will be given to anyone making suggestions for improving our computer-aided production processes which we subsequently decide to adopt.

Sabrina Patel
Managing Director.

An incentive is offered and a good response is expected. However, management is not trusted by the workforce, who see this as a worthless gesture, so either they do not make any useful suggestions or they make ones that are unprintable!

The message is written in the wrong language. This often happens when the sender is a specialist, e.g. an accountant or engineer.

The tone of the language is not right. This can happen in any form of communication, but is most prone to occur when the message is spoken. This is particularly true if body language can also be observed.

In its layout the message is formal and unfriendly. The Managing Director could not even be bothered to sign it – her name was just printed on the notice.

The wrong medium may have been selected. You don’t leave a message you really want to work to the chance reading of a noticeboard.

The receivers have negative attitudes to the sender and misinterpret the message. They need to be convinced; a more direct and personally involved approach was needed.

(20 marks, 25 minutes)

1 Identify FOUR barriers to effective communication in this example. (4)

2 Select a more appropriate method of communication than the noticeboard for Palm Nut Oils Ltd. Explain your choice. (6)

3 Explain why you consider your method to be more suitable for encouraging workforce participation within this company. (10)

Lines of communication

Formal channels

Messages may be sent and received either through formal or informal channels of communication. Formal

channels of communication are set up and recognised by the organisation, such as meetings, noticeboards, internal business memos and reports.

Figure 10.2 A typical organisational chart for a business
Formal lines of communication can be either vertical or horizontal.

Look at the arrows. They indicate the direction of the communication.

- Arrow A shows downward vertical communication. This is when messages are sent from managers to subordinates. It can be used for instructions or information about important business decisions. The messages are likely to become distorted if they have to pass through very tall organisations with many levels of hierarchy.
- Arrow B shows upward vertical communication. This is when a message or feedback is passed from subordinates to managers. It can take the form of confirmation that downward communications have been received and acted upon or it might be used to ask questions or for further information.
- Arrow C shows horizontal communication. This occurs when people at the same level of an organisation communicate with each other. It will also occur within teams or project groups in the matrix organisation structure. Horizontal integration often takes the form of discussions within teams or between departments on an issue of mutual concern.

Informal channels

Informal channels include meetings with friends, conversations with colleagues or contact with people in the canteen or at break times. These informal channels are not set up or recognised by the organisation. They are often referred to as the ‘grapevine’.

Such channels are often used for quick communication and nearly always allow for two-way communication and discussion.

Problems associated with formal channels

- May only allow one-way vertical downwards communication – this prevents the benefits of two-way and upwards communication from being received.
- Often have to be planned for in advance, for example meetings involving several managers and may take time to organise.
- Communication is restricted to the people who are part of the channel – may be difficult to involve other people even though their contribution could be valuable.

- Written records of meetings or formal conversations are often kept – this may discourage people from being honest with their views and opinions if they consider that these could be held against them later.

Formal channels versus informal channels

In any organisation there is scope for both types of channels of communication and the organisation should not try to stop informal contacts at all. Formal communication is essential in any organisation. These are some examples of messages that it would be inappropriate to send via an informal system:

- employment contracts or redundancy notices,
- health and safety at work notices,
- orders to suppliers,
- orders from customers,
- training guidelines for new machinery,
- annual meetings with shareholders,
- departmental and individual goals and targets,
- departmental budgets.

Some managers regard informal channels with suspicion, claiming that they are a source of gossip which could undermine the work and authority of management. No doubt, on occasions, informal gatherings will criticise and question management decisions, but informal communication can be advantageous for organisations too.

Here are some possible benefits:

- quick to send a message and to receive feedback;
- can be used by workers to try out ideas and suggestions before being put to managers in a formal channel;
- can be used by managers to make suggestions to staff that, if popular and accepted, may then be communicated through formal channels;
- allows social needs of workers to be met (see Maslow) by building relationships between workers;
- people are much more likely to express true feelings through an informal channel.

Effective communication in any organisation requires the employment of both formal and informal channels as they have different advantages. At all times though, managers should be conscious of the factors that can result in barriers to communication and should take steps to reduce the impact of these to a minimum.
Communication dynamics

Employer–employee interface, customer relations

Effective communication requires much more than just words – either written or spoken. Human beings are complex units that respond to a whole series of impulses and the words we read or hear are only two examples of these. Body language, facial expression, posture, movement, gestures and tone of voice are the most important communication dynamics apart from words. These interpersonal communication dynamics must match the actual content of the message (the ‘words’) if effective communication is to take place.

The two most important interpersonal relationships that exist in most business organisations are between employer and employee and sales staff and customers.

1 Employer–employee interface If, during a meeting with workers, the manager who is talking looks bored and disinterested (negative body language), then the workers will assume that either the message is unimportant or that they are unimportant. If, during wage negotiations, the manager’s facial expression displays anger, but the words are meant to be conciliatory, then workers will become confused about the true nature of the message being communicated. Similarly, forceful movements or gestures, such as thumping the table, may give an entirely misleading impression to the workers. In contrast, eye contact can be used to signal interest in others and increase the speaker’s credibility. People who make eye contact open the flow of communication and convey interest, concern, warmth and credibility. In a large meeting, movements and gestures can be used to great effect to drive home the central point of a message. Standing erect and leaning forward communicates to listeners that the speaker is approachable, receptive and friendly. Managers must be aware of the need to ensure that the message is not only contained in words but in dynamics such as movements and body language.

2 Customer relations Long-term customer relations built on honesty and fairness are essential for most business organisations to succeed in the long term. These relationships can be undermined and threatened when sales staff are unaware of the impact that communication dynamics can have on customers. Using a bored or threatening tone of voice when dealing with customer enquiries or complaints will be discouraging to clients. Similarly, a body posture that displays boredom, such as not looking directly at the customer, will create a very poor impression, despite what is being said. On the other hand, smiling is a powerful sign that transmits happiness, friendliness and warmth – all very useful when dealing with an irate customer!

Remember – communication does not begin and end with the message – the dynamics used by the sender and the receiver will have a great impact on whether information is effectively received and understood in the manner expected by the sender.

Managing feedback

The purpose of feedback is to indicate that the original message has been received and understood, or to change and alter messages so that the intention of the sender is clear to the receiver. It includes verbal and non-verbal responses to the original message.

Managers need to encourage feedback to ensure that communication has been effective. It can be achieved by paraphrasing the words of the sender – restating the sender’s intentions or feelings in the receiver’s own words. Non-verbal responses include nodding, questioning looks and sharp intakes of breath!

Carl Roger, a management theorist, listed five main categories of feedback:

- **Evaluative**: making a judgement about the value or appropriateness of the message.
- **Interpretive**: attempting to explain in different words what the sender’s message means.
- **Supportive**: attempting to assist the sender in making their message clear.
- **Probing**: attempting to gain additional information to clarify the communication.
- **Understanding**: attempting to discover completely what the other communicator means by the message.

Managers should encourage positive and constructive feedback. Evaluative feedback based on a misunderstanding of the message can cause conflict and poor responses. By encouraging feedback that seeks additional information, managers will ‘manage feedback’ effectively.