Business Communication Case Study : Oxfam

Oxfam needs to communicate with a range of individuals and organisations, including their suppliers, as well as their own employees. Good communication within Oxfam is essential if that business is to operate effectively.
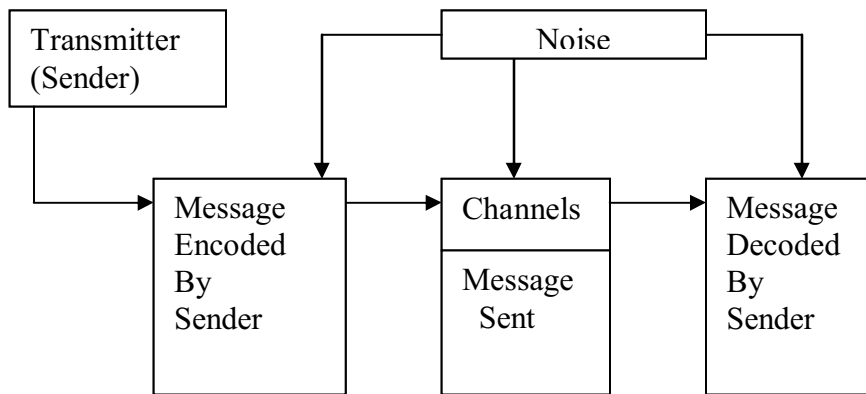
What is communication?
Oxfam need to have good, clear paths of communication so that:

- Everyone is clear about their objectives and tasks

- There is a smooth and accurate communication both within Oxfam (internal communication) and between the organisation and other individuals, bodies and groups (external communication) for example the UN

- Everyone in Oxfam is kept informed of developments and changes, usually through e-mails and memos

- Ideas and views are clearly heard

- New ideas can bubble up through Oxfam

- People do not feel frustrated – '*nobody listens to me*'

- Oxfam and its members can respond quickly to new developments, etc foe example if there is a second earthquake a day after Oxfam has been there, which destroys most of there equipment

The communication process
The process of communication involves a transmitter (sender) sending messages to receivers. A transmitter should put information into a form the receivers can understand; this might involve oral, written or visual messages. The process is known as encoding. The transmitter chooses a particular medium to use, to send messages to the receivers – letter, report, fax, phone call, e-mail, web site, etc. The receivers then interpret the messages through a process of decoding. Below is the communication process:

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┌─────────────────┐          ┌──────────────────┐
│ Transmitter     │          │      Noise        │
│ (Sender)        │          │                   │
└─────────────────┘          └──────────────────┘
         │              │           │          │
         ▼              ▼           ▼          ▼
┌─────────────┐  ┌─────────────┐  ┌─────────────┐
│ Message     │  │ Channels    │  │ Message     │
│ Encoded     │─▶│             │─▶│ Decoded     │
│ By          │  ├─────────────┤  │ By          │
│ Sender      │  │ Message     │  │ Sender      │
│             │  │ Sent        │  │             │
└─────────────┘  └─────────────┘  └─────────────┘
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The leaky bucket theory

The communication of information and ideas can be likened to transferring water by bucket from the tap in the house to parched plants in the garden. A '*good*' bucket will not let any of the water escape, so you can carry out the job in an efficient way. However, many of us rely on leaky buckets. The more holes in the bucket and the further the distance from tap to flower bed, the less efficient the system will be. The greater the need the plants have for water and the more holes there are in the bucket, the greater will our frustration in the process.

Though a message flows from the sender to receivers, there is no guarantee the receivers will either receive the full message or even understand it. This is because the process may involve communication problems are known as '*noise*', and this may weaken or destroy the message being sent.
The following are a few examples of '*noise*':

- *Language problems*- The language used may not be fully understood, particularly if a receiver comes from a different background from the sender or has considerably less knowledge (technical or otherwise) but usually Oxfam can fix this problem by having an interpretor on hand.

- *Jumping to conclusions*- The receiver might read into the message what he or she expects to see rather than what is really there.

- *Lack of interest*- The receiver may not be prepared to listen to the message. The message has to be designed to appeal to the receiver.

- *Competing environment*- Background sounds or interference from other activities in the work environment may influence the message, particularly if it is long or complicated and requires concentration by the receiver.

- *Channels of communication*- Effective communication will be hampered if the means chosen to pass on the message is poor.

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- *Cultural differences*- Everybody will have different perceptions of the world according to people's backgrounds and experiences, meaning that a message could be interpreted in different.

- *Steps in the message*- If the message is too complicated, the message may not be properly understood.

Networking

This is another form of communication and is always internal; it involves linking two or more computers together, so that facilities and information can be shared easily among people within Oxfam. There are two types of networking one is called LAN (local area network) this a network linking computers in a single room, these computers then will be linked with a file server which stores the networks information, such as files and software. The other type of network is a WAN (wide area network) this is a network that links computers all other a building or company site. WAN can also be linked with the Internet through modems and ADSL lines, which can transfer information to other departments and companies all over the world. Oxfam have an internal network which links all there main offices across the world.
The uses for networks include the following:

- *Electronic mail*- Here computers linked through a LAN or WAN send mail between terminals. Usually each user has his or her own mailbox for storing messages. Oxfam uses its own e-mail system to contact its employees or sponsors very quickly.

- *Teleconferencing*- Meetings may take place with individuals widely dispersed, using a number of terminals. Oxfam uses this when board members from across the globe must meet, to discuss important things to do with the running of Oxfam

- *Electronic data interchange (EDI)*- This allows users to exchange business documents and information directly through the telephone network and other, more sophisticated, electronic communication systems. Oxfam has systems set up like this between their head offices in different countries.

Oxfam use both LAN's and WAN's to communicate with itself and other companies. This is because they need to have a good communication with the companies and people around them to fulfil their objectives.

Internal communications

The three main ways of communicating information inside Oxfam are verbal, written and electronic.
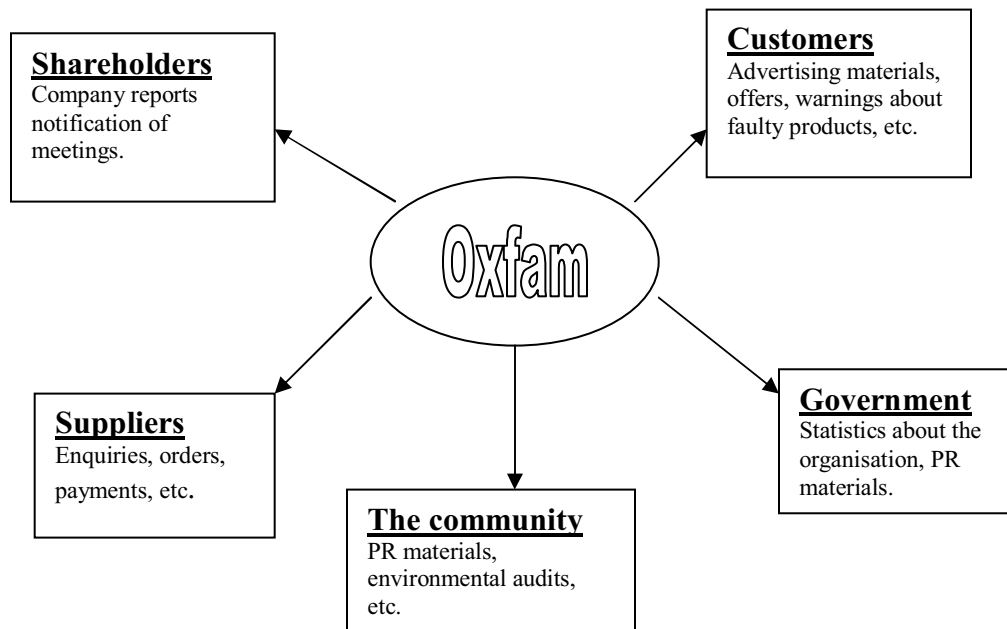
Verbal information is communicated in '*face-to-face*' interactions, through telephone messages or recorded messages using answering machines and voice mail. Although verbal information can be obtained quickly, it often needs backing up in written form. For example, when you communicate an important message to a work colleague he or she might say '*could you e-mail about that*', or '*please can I have that in writing?*'

Written information will cover a range of paper documents that are exchanged within Oxfam such as, memos, letters, brochures etc. Written information takes time to process and often requires extensive filing and distribution systems.

Electronic information Is rapidly replacing other forms of communication. For example, a stock list can be transferred electronically from a supermarket to its head office. Most large organisations use an internal networking system. Nearly all networks have an email facility, and this is used to send documents in electronic form around a company. Oxfam's e-mail facility is used in much the same way as a supermarket, transferring information and orders for provisions etc.

External communications

Oxfam need to communicate with a range of stakeholders, including shareholders, customers, suppliers and the community. A range of different external communications media can be employed to communicate with these groups.

Shareholders
Company reports
notification of
meetings.

Customers
Advertising materials,
offers, warnings about
faulty products, etc.

Oxfam

Suppliers
Enquiries, orders,
payments, etc.

The community
PR materials,
environmental audits,
etc.

Government
Statistics about the
organisation, PR
materials.

Oxfam is continually communicating with groups outside the organisation. These communications perform a number of functions:

- *A public relations function*- To present a good image of Oxfam to other organisations and customers.

- *An informative function*- To provide various groupings with essential information about Oxfam e.g. tax records to the Inland Revenue, hours of opening for customers, detail of supply arrangements to suppliers.

- *A day-to-day trading function*- To transact Oxfam's daily commercial relationships e.g. making orders, buying goods, making enquires about goods being offered.

- *A transparency function*- Today, it is often important that outsiders can see what is happening inside Oxfam so they know the company is carrying out its business in a true and fair way e.g. by providing tools and food with people stricken with poverty.

<u>Types of external communication</u>

<u>The Telephone</u>
The most frequently used from of external verbal communication is the telephone. Its great benefit is that it is fast and allows people who would find it difficult to meet to converse. Oxfam use telephones a lot for example to order new tools etc.

A telephone call may be the first point of contact an outsider has with the organisation. A problem with the phone call that if a bad impression is created through the first call, it may be very difficult to correct. To stop this happening the organisation needs to develop a telephone technique that makes the caller feel at ease and that creates the impression of efficiency is always very important.
If Oxfam staff, have to make a telephone call, they make sure:
- They have all the necessary information to hand.
- They know whom to talk to.
- They are prepared to leave a message on an answering machine, if necessary.
- They speak clearly.

<u>Interviews</u>
Another form of external verbal communication is an interview with someone or some people outside the organisation; this could involve people who are interested in something Oxfam has done or going to do (e.g. the Media in the form of press, radio or television). Part of Oxfam's public relations strategy is to build up a positive perception and image of Oxfam, which is not difficult for Oxfam because they do a lot of work which is considered good for example trying to prevent poverty

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Business Letters

The business letter is still the most widely used form of external communication. Oxfam may use it to:

- Make arrangements without the need for parties to meet.
- Provide both parties with a permanent record of such arrangements.
- Confirm verbal arrangements.

A well- written business letter conveys its message while maintaining goodwill. If a letter is sent promptly, is well set out and conveys the message accurately, the person who receives the letter will develop a good impression of Oxfam and is more likely to want to make further relations with Oxfam.

Facsimiles (faxes)

A form of external communication that has experienced massive expansion over recent years and that is capable of sending both written and visual material. Faxes use a telephone line so it is cheap as well as efficient. Oxfam use this to transfer plans and sometimes facts and figures.

Electronic mail

As an alternative to writing letters, organisations (like Oxfam) widely use e-mail, to convey what they need to say to another organisation or a customer etc.
The advantages of e-mail are:

- It is faster than ordinary mail.
- No need to print the message then put it in an envelope with a stamp.
- It is environmentally friendly.

The disadvantages of e-mail are:

- Some people do not check their e-mail inbox regularly.
- Some people do not have access to e-mail facilities.

Videos and CD's

Corporate videotapes and corporate CDs have become increasingly popular over recent years as methods of providing a variety of interested parties with visual information about Oxfam's activities. Oxfam do not use a lot of these but sometimes they make videos and CD's, to send off to potential sponsors or donors.

File transfers

When a file needs to be transferred to another external computer, an E-mail may not do the job because they can only carry around 1MB, and at this size it will take time to transfer the file, if the organisation connection to the Internet is slow. A file transfer is needed, it is when two computers basically share some the same files by becoming part of the system, so file transfers are fast and easy. Oxfam use file transfers to transfer video clips and other information.

Video conferencing
Video conferencing makes possible face-to- face meetings with people who are geographically separated. The problem with video conferencing is that it is expensive, because it requires a medium to high specification PC, with a powerful sound and graphics card, a video camera and a very high speed transfer rate to the Internet. Oxfam use video conferencing to talk to other organisations and employees in other countries, to explain operations more effectively.
The advantages with video conferencing are:
- Savings in time and travel expenses.
- Ready access to supplementary sources of information.
- Enabling people who work at home to communicate with others.

Web sites
Web sites have allowed organisations to put a lot of information in one place and are easy to obtain from people outside the organisation. The Oxfam web site is designed to be quick and easy to use; it also offers the viewer a lot of information to do with the company and its goals and objectives. On the website people can e-mail Oxfam to gather information, on certain projects and offer their assitance.

Formal and informal communications
Formal communications in an organisation is communication that takes place through recognised channels, in the case of Oxfam this would be official meetings, memos and newsletters. Informal communications in an organisation is communication that takes place through other non-recognised channels such as, when some one from the shop floor would find and talk to their boss without going through the proper channels such as writing a letter, or a memo. Informal communications can be very advantageous for Oxfam, because it relies on a person's initiative, result in the workers becoming more motivated.

Upward and downward communication
In old-fashioned/traditional industries, the communication was always downward from the directors down, this has some advantages such as, senior managers are able to set targets and objectives, and then give the instructions to make sure they are carried out. However, in recent years communication also goes upward, so that the directors can listen to what the people on the work floor think about certain ideas, so if it is a bad idea they can change it to suit the employees needs, or they might just scrap the idea. Oxfam usually have communication that can go upwards as well as downwards.

Open or restricted channels
With any form of communication it is important to identify the purpose of the message as well as the people at whom the message is to be targeted. For example if the message does not contain confidential materials, and it does not matter who sees it, in or out of the organisation it is regarded as an open channel. So a restricted channel message would be sent to one or two people within Oxfam and only the people whom it was sent should see the message, because it could contain confidential material.

Information and communications technology (ICT)

ICT has totally transformed the way people around the world communicate with each other, for example the majority of people do not use the phone or a letter to speak with people on the other side of the world, instead they use e-mail and web camera's. People use these forms of communication because they are cheap and very quick.

In organisations such as Oxfam, ICT is used all the time for many reasons such as:
- The use of networked databases to replace the paper system.
- The use of an Internet web site to create a communications link between Oxfam and its global allies.
- The use of the Internet to research new ideas and find out how current operations in the field are doing.
- The use of a website an example of their front page is given overleaf.

ICT has already had a huge impact on the global economy, for example bringing businesses together from all over the world; ICT has transformed production systems on a worldwide scale. As the Internet expansion increases, so too will the knowledge revolution- leading to knock-on affect that have the potential to transform businesses in new and unforeseen ways.

All companies advertising on the Internet such as Oxfam are trying to create user-friendly systems for their customers to use, these user-friendly systems should be clear for people to use with noticeable buttons and be quick and understandable, also the web sites should have things on the site that will keep people coming back to the site, such as free offers, competitions etc. Oxfam mange to do this effectively, by being with clear, and easy to use, with a search bar to access information regarding your search.

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