The Need for Communication in Business

I have been assigned to solve a firm's communication crisis after the purchase of a new production site 50 miles from London. The company employs 120 people. This has led to split between the staff and workers. The two diagrams show how the business will configure its communication before and after the change.

Network chart before change:

Administration Director
Human Resources Director
Production Director
Marketing Director
Finance Director
Managing Directors
Board of Directors

Network chart after change:

Human Resources Director

These diagrams show the differences before and after the company has split and moved away to different locations. The diagrams show the hierarchy level of how the directors stand against each other and also the span of control. Each director will not have easy access to another director due to the distance of each site.

Good Communication is extremely important in any business, without it there is not much point. Having good communication between the managers, directors, workers

and others is necessary so that goals can be achieved and that everyone will have good understanding between each other.

"**Communication** - social intercourse, the science and practice of transmitting information."

Oxford Concise Dictionary

"**Communication** - messages passed between a sender and a receiver through a medium such as a letter or a fax."

GCSE Business Studies SE

"**Communication** is the process of sharing ideas, information, and messages with others in a particular time and place. Communication includes writing and talking, as well ass non-verbal communication (such as facial expressions, body language, or gestures), visual communication (the use of images or pictures such as painting, photography, video or film) and electronic communication (telephone calls, electronic mail, cable television, or satellite broadcasts). Communication is a vital part of personal life and is also important in business, education, and any other situation where people encounter each other."

Encarta OnLine

"**Communication** takes place when one mind acts upon its environment that another mind is influenced, and in that other mind an experience occurs which is like the experience in the first mind, and is caused in part by that experience."

Britannica OnLine

"**Communication** - If there is no communication in the business, there is not much point of running it."

Elizabeth Tonogbanua

All businesses have objectives and targets which all must be fulfilled. The main goals of businesses include pleasing customers and obviously gaining money. These can only be done with support from every member of staff and help from suppliers and allies.

With poor conditions of interaction in a business, nothing will be achieved. For example, if an order placed through requested a certain amount of an item and the order came through with less than required, then you'll have a weary customer. This would damage the business' reputation and trust from the customer. With perfect or adequate communication between staff, problems like these are certain not to happen.

There are several ways how people and businesses interact with each other. Here are a few of these methods.

Talking to **people** is the easiest way to interact with one another. This can be done by verbal communication face-to-face. During meetings and gatherings people express themselves with their body language and tone of verbal language. This way everyone can understand what exactly is going on because it is immediate and straightforward.

Most messages and notes are placed on **paper**. Sometimes whenever someone is unavailable, a written message is left for him or her. Telephone messages are recorded on paper then passed on to the recipient.

Most long messages are sent **electronically** via e-mail or fax. Sometimes documents can be attached to e-mail with a message or vice-versa. Its not just e-mail that is involved in electronic communication, it also involves faxes and telephones. Messages can be passed on verbally via telephones or intercom. Some computers are programmed through a network with instant messengers. You can have a written conversation using these. You also have a choice of talking within a group (conference) or privately (PMs).

Each method is used in a relative way compared to what the task is, whether it is internal or external. Internal Communication includes verbal communication, e-mail, memos, intercom via telephones, computer network, notices and messages, and also through meetings. External communication includes fax, telephone, mobile, pager, video conferencing, the Internet, e-mail, and through a computer network.

We call communication that takes place indoors **internal communication**. This involves verbal interaction, e-mail, written memos, intercom or telephone, through a network, notices, and obviously at meetings.

When conversations between staff occur during meetings or small gatherings in different areas, we call this **verbal communication**. One advantage of talking is because it is immediate and straightforward. One disadvantage of this is that there is no record kept of the conversation.

E-mail can be classified as internal as well as external because mail can be sent anywhere as long as it is to a specified address of another staff member, for example, too far to reach within the building. Once e-mail has been sent, it should be received straight away. This is a convenient way of sending long messages or documents. One bad disadvantage of using e-mail is that you can receive viruses and maybe send them accidentally. This would give the firm a bad reputation. Another problem is that you need a computer or a device that is able to send and receive e-mail; this might lead to a large amount of money being spent on machines.

Written memos and **notices** are mainly short messages or notes on paper. Whenever someone is unavailable then the message is written on paper. These aren't as reliable because you'll never know when the recipient will come back.

Telephones are the easiest way of communicating within a building. Calls can be transferred from one department to another via **intercom** to provide help and service, as long there is a phone around.

Through a **network** you can access your work from any computer on the network. To keep your work private and safe passwords are necessary. Some computers are programmed with instant messengers where you can chat to each other using these. One disadvantage of having a network is that thousands of pounds will have to be invested for buying computers. The other great danger of using a network is that data put into the network may not be safe. There may be a lack of security in the system. If another party get hold of someone's data, the Data Protection Act would be violated.

Meetings take place when necessary, normally when scheduled. These are conferences between the top of the hierarchy.

When the company communicates with another party other than the firm, we call this **external communication**. This involves fax, telephone, mobile phone or pager, video conferencing, e-mail, through a network, and also the Internet.

Fax is a way of sending forms and documents all over the world via telephone lines. Documents come in clear but can sometimes take their time. Fax can authorise documents with a signature. The sender and receiver must both have fax machines. Fax machines are relatively cheap, as there are different ways of communication emerging. Fax machines are quite expensive depending on quality. To have one machine in each department would be a heavy cost.

Mobile phones are the latest trends in technology with nearly every businessman having one. Verbal interaction can be received and sent whenever as long as there is network coverage. People can also communicate by sending each other text messages (SMS). **Telephones** are used everywhere and still is the most used method of reaching someone far. **Pagers** can only receive messages. These are very efficient when a supervisor is unavailable because you can chat or text them whenever necessary.

Video conferencing is a good way of dealing with a meeting where members are unable to attend. By the aid of cable connections members can speak and hear clearly with each other. One great disadvantage to this is the cost of holding a meeting on-line, but it is cheaper than travelling from different locations. One issue concerning video conferencing involves the use of VDU equipment. This equipment must be operated and positioned at the correct expense. There must be breaks in between usage. The 1993 General Application Regulations require employers to carry a risk assessment of the VDU workstation. For those who use video conferencing frequently should have eye tests provided by the company. This issue is taken from the Health and Safety Act.

The Internet is an interactive network provides a range and variety of web sites, including email. You can use video conferencing through the Internet provided you have the right hardware and software. There are already programs such as NetMeeting, which allow you to do so.

The Internet is also available on WAP (wireless application protocol) phones this allows mobile phone users to connect to the Internet via their mobile phone. Information can be given and received via e-mail and from web sites. You can interact using instant messengers or through a variety of chat rooms. One

disadvantage of the Internet is that hackers could make their way through the firm's database without authorisation. This would evade the Data Protection Act.

Documents and graphics can be sent through **e-mail**. They are then received straight away after sending. If you are through a **network** you can access your work and e-mail anywhere on a computer, which is part of that network. One disadvantage of using e-mail is that if the server brakes down you will not be able to send or receive your mail.

The Data Protection Act controls the way information is passed on computers. The Act refers to data users (the person who stores data) and data subjects (anyone who has information stored by the data user). This Act created Data Registrars (who makes sure that the Act is enforced) and a Data Protection Tribunal (where people may appeal against the Registrar's Decision).

Nobody is allowed to store and use personal data unless the Data Registrar has granted them permission. Those who wish to apply must state what data they are storing and what it will be used for; after the application has been accepted it can now be placed in a Data Register where everyone can see. There are some exceptions for other data such as payroll for 'national security' purposes.

These are the main guiding principles:

· Data must be obtained fairly and lawfully.

· Data must only be held, disclosed or used in the way it has been registered.

· All data must be accurate.

· People must be able to have their own information disclosed if they request. If data can be proved wrong, it must be deleted or changed.

· Data users must protect and keep all data they hold.

These are some of the exemptions from the Act:

· Doctors, police and tax authorities, who do not have to show data subjects they hold, are exempt from the restrictions on closure.

· Data can be withheld for 'national security' purposes.

· People do not have to register as data users if data is only to be used for recreational or personal use.

· Companies do not have to register if data is used for routine purposes.

After the Data Protection Act was issued in 1984, it has changed the way data is stored and passed on today. The Act has its strengths and limitations as well as any other Act.

Two advantages of this Act is that it sets a limit to the operation of people who use data and also it gives a number of rights to data subjects.

The disadvantages of using the Act are: the Act only deals with computer data and not paper files; it is difficult for people to find out who is storing data about the,; data subjects cannot complain about uses or disclosures of data if the data user is registered for that use; data subjects can only complain if about the inaccuracy of the data if they have 'suffered damage' from it; and also data can only be held for 'national security' purposes so that people cannot gain any access to it.

To gain some knowledge about communication methods I spent two weeks at WHSmith. I produced questionnaires for various members of staff. I chose to use questionnaire rather than survey or observation because I think that the others aren't as reliable as a questionnaire. By using questionnaire, I can have direct contact with the member of staff. If I used a postal questionnaire or survey I wouldn't be able to gather different views or any expressions. Not a lot of people respond to postal questionnaires. More people would take part in interviews or even telephone interviews. I had direct contact with the respondent so I was able to correct them and also tell them how to answer the question. I was also able to collect the right information needed. Questionnaire involves the member of staff's own opinion. Other opinions can be collated to gather a good review of the firm's methods.

My opinion was that the company would use e-mail and telephone calls for quick and easy access between the directors and staff.

The company would be able to use telephones to keep in-touch with their customers and also other firms. Telephones are very common and quite cheap with calls from 1p a minute. Telephones are the easiest form of communication to use. Each phone has a different identity number (telephone number). Communication can be received just seconds after a number being dialled. Telephones are very reliable and efficient because calls are made manually.

E-mails could be used to dispatch frequent orders to staff as well as their partner companies. The e-mail service could also be used as a newsletter to their customers. E-mails can also be received seconds after being sent. Most e-mail networks have user names and passwords so that the information sent to you is private and classified. To send e-mails, all you have to do is write the e-mail address, and include the text, diagram, application, etc. and then send. It is that easy to use e-mail. E-mail is quite reliable but there are some cases when servers break down where the e-mail cannot be sent, and therefore cannot be received. Another problem is manual error when typing email addresses.

From the questionnaire I took to WHSmith, I have realised that the method they use suits the business perfectly. They use telephones to reach customers and other branches to enquire about certain products. They also use fax machines to dispatch orders directly from suppliers. There is an intercom linked through all the phone lines. This is very effective as the managers and supervisors carry mobile phones, which are connected to the intercom. There is a phone in each department meaning that there will always be someone to answer your call. On average the High St Kensington branch spends £130,000 per year. They are considering starting up an e-

mail service for their customers after the launch of their web site, www.whsmith.co.uk.

The graph shows how much a branch from WHSmith, Virgin, Arnold & Porter, and J Sainsbury would spend on average per year.

All the research has contributed to my opinion of communication they should choose. I recommend that they should use intercom within the two sites for instant communication. They could have similar communication compared to WHSmith with the supervisors with mobile phones connected to the intercom and also a telephone in each department of the site. The intercom is only used internally. In the computer network, they could have a programmed instant messenger to send messages throughout the network. This will be active in only one site. Because all directors are indoors, it is obvious that they can have verbal conversations. When a member of staff is unavailable, they can leave written memos or short messages.

The two sites can contact each other by telephone where they can have conversations directly to each other. They can also use e-mail as it can be sent and received instantly. The two sites can have meetings by using video conferencing.

In order to contact other businesses they could use telephone to have a verbal conversation or fax machine to send and receive everything on paper. This can also be done using e-mail. By using e-mail, it is possible to send and receive reports and orders. Application forms can be sent and received via fax or e-mail.

Depending on how often they communicate with others I would estimate that the average cost per year would be in the range of £110,000 to £155,000. I think it would be necessary for the employee to be trained how to use e-mail and Internet connections. It would also be necessary to teach the employee how to use instant messengers on the computer network.

The facts show that telephone is the most popular, easiest and user-friendly compared to any other method. By using telephone, they can also create an intercom within the premises. One disadvantage to using intercom is that it can only be used internally. To solve this problem, senior workers should have mobile phones provided by the company. Other members of staff should be provided with pagers or even mobile phones. By using mobile equipment, intercom wouldn't just have to be internally but also externally. One downside of this strategy is the cost of supplying every worker with mobile equipment. For those who are stable throughout their working day, if the network were provided with an instant messenger, not all workers would need mobile phones or pagers.

I chose to use e-mail rather than fax because it is more reliable, efficient and trendy. Both use telephone lines and both cost money. They both have different strengths and limitations from each other. E-mail can be sent and received over the Internet and WAP enabled phones. There are no stamps or envelopes needed and it's all free. One great advantage of using e-mail is that it can be sent and received wherever, whenever. Once sent, it will be received straight away. One bad effect of using e-mail is that depending on the size of the e-mail. The download time of the mail will depend on how large the mail is or the speed of the connection. Through e-mails you can send documents, graphics, programs, music, etc. E-mails are popular towards businesses because they are used for newsletters in a way of being loyal to

customers as well as advertising. To use e-mail all you need is the Internet, WAP enabled phone or even an e-mail phone. One bad disadvantage of using e-mail is that if the server breaks down, no e-mail will be able to be sent or received.

To use fax, you must have a fax machine. These are quite expensive but they all differ in price and quality. Fax machines also require ink. These machines also send documents all over the world as long as there is a fax machine. It does take time to scan the document as well as sending it. Sending fax may sometimes be unreliable because of manual error. Digits maybe miss-typed. This may happen in e-mail where the e-mail address maybe miss-typed. Fax is normally used for business use rather than personal or commercial use.

When meetings are held between the two sites, I insist that they use video conferencing. It takes place over telephone lines. Each must be supplied with a television and also a camera for video conferencing to be possible. I don't think there is any other suitable alternative to video conferencing at this moment.

My decision is that the company should use telephone, e-mail and video conferencing.

I believe that my suggestions should satisfy the firm excellently. I don't see a problem growing from any of the two sites. I think that my suggestions have solved the problem over the two sites. They can communicate effectively between each other by using telephones to interact verbally, to use e-mails to keep up-to-date with each other or to send and receive forms or reports and to use video conferencing when holding meetings to prevent travel costs. Within the sites they have telephones connected on the intercom so they can all keep in touch. They will also have the instant messengers installed on the computers. When communicating with other businesses or customers they would still be using telephone, fax and e-mail. They would call and receive calls through telephone from customers to have a brief word. They would use fax machine to dispatch application forms and other documents and also receive them, these can also be done using e-mail. E-mail is more efficient because there is no limit of how much you can send and also that once sent; it will be received straight away.

After two weeks of observation at WHSmith, I have learned that there are various methods of communication depending whom the correspondent is. This has played a part on my recommendations. I have found out that most orders are placed through fax rather than telephone because of costs. There are several departments at WHSmith and they use intercom, so this has influenced me to use an intercom to link all the departments via telephone. I would also recommend that the senior members who are frequently outside the premises should carry around a mobile phone to keep in touch. The Internet has played a major part in businesses lately with many of them having their own web site and their own e-mail address. This has persuaded me to include e-mail as one of my suggestions in communicating internally as well as externally. These Internet connections can even hold meetings on-line by using web-cams. This is a way of video conferencing. I decided not to select postage as part of communication as it can take up and waste a lot of time. Costs are quite expensive compared to free e-mail because all you pay is the phone bill, the postage costs also depends on what you are sending and where you are sending it to. I had to reconsider selecting e-mail as part of my recommendations because sending and receiving documents over the Internet are risky. Personal information or secret

information could be stored on the e-mail, and with hackers and viruses floating on-line which could evade the Data Protection Act. This is one of the disadvantages I had to face. I decided that the senior members should bring a mobile phone with them rather than a pager because by using a mobile phone you can interact verbally whereas using a pager, all you would receive is text. I had to choose the suitable methods of communication that would be most convenient to the customer.