
Chapter 8

Communication

Higher Level

Past Exam notes (For this chapter)

A. IMPORTANCE OF COMMUNICATION

WHAT ARE COMMUNICATIONS

Communication

Def This is the transfer of information between people. It involves sending messages through a channel to a target group then receiving some feedback from the recipient that the message has been understood & acted on. It can visual, written or physical

Communication can be

Formal **Def** This communication that is passed through approved channels. For Example, meetings.

Informal **Def** This is also known as the grapevine and is communication that doesn't have a formal setting and exist in every organisation and industry. For example, chats in the canteen.

Managers need the following skills to be able to communicate effectively

Speak clearly	Listen Carefully	Give/receive feedback
Write clearly	Read/understand	Select best medium
Use ICT		

WHY IS COMMUNICATION IMPORTANT

A manager will spend approx. 90% communicating with different stakeholders. as a result, internal and external communication is very important to prevent misunderstanding and possible conflict

Internal		External	
Employers	Ensure correct work is done on time Poor communication can cause confusion	Customers	Informed about product developments or problems Build customer satisfaction and loyalty

Managers	Need information to make good decision Work effectively as a team	Suppliers	Know firms supply needs Firm needs to know about any delays
Investors	Accurate financial information Else they will not trust management and not invest	Government	Applying for grants & lobbying or reporting breaches of law

Past Exam Questions
2017 Q4 B

BENEFITS OF HAVING A MANAGER WHO IS AN EFFECTIVE COMMUNICATOR

1. Less Conflict/fewer industrial relations problems

Effective communication means the receiver gets the message which was sent by the sender. There is no confusion or ambiguity. A manager who is an effective communicator will provide opportunity for feedback to ensure the message is conveyed clearly. This results in less conflict and disagreement among employees.

2. Less Errors

Clear communications are often in written form. This allows the receiver to read them several times to ensure they understand the content of the message. This will result in fewer errors being made.

3. Less Wastage/improved quality

Effective communication from a manager to employees in a timely manner means that tasks can start quicker ensuring there is less wastage and lag times for production.

4. Quick Decision Making

This can lead to more sales and profits A manager who is an effective communicator is also an effective listener. They can analyse information quickly which means that decisions can be made without delay. This is important in a fast changing business environment.

5. Better Decision

Making Better decisions are also made based on actual facts presented, accurate information given in clear language and confusion can be overcome through opportunities for feedback (questions).

6. Better staff Morale/less stress

In a business where managers are effective communicators, employees are empowered by receiving clear instructions, being listened to and having decisions made in an effective manner. This results in high morale.

7. Low Staff Turnover

If a manager communicates effectively with his employees, it will result in employees wanting to stay in the business. This will result in a low staff turnover.

B. METHODS OF COMMUNICATION

WHAT ARE THE METHODS OF COMMUNICATIONS USED BY BUSINESS?

External communication

Def This takes place between a business and other parties outside the business. This also includes, banks, suppliers, customers, insurance companies, interest groups, revenue commissioners, and Government depts.

Internal communication

Def This Is communication between the people in the organisation.

Downward

Def This is Communication between managers dealing with workers. It occurs when communication is sent down the chain of command in the organisation Chart

Upward

Def This Communication is between workers dealing with supervisors/manager. It occurs when employees are reporting up the chain of command in the organisation chart

Horizontal

Def This is communication between managers dealing with managers. It is communication that occurs between managers of the same rank and authority in the organisation chart

The following are the types of internal and external communication that operate within firms.

Examples

Internal Communication	External Communication
Oral (Verbal) <ol style="list-style-type: none"> 1. Face to face 2. Internal phone system 3. Intercom 4. Meeting 	Oral (Verbal) <ol style="list-style-type: none"> 1. Face to face 2. Radio 3. Public meeting 4. Mobile phone
Written <ol style="list-style-type: none"> 1. Report 2. Notice board 3. Internal magazine 4. Suggestion box 5. Memorandum 	Written <ol style="list-style-type: none"> 1. Newspaper 2. Post 3. External computer network 4. Press statement 5. Business documents
Visual <ol style="list-style-type: none"> 1. Overhead projector 2. Video 3. Line graph 4. Pie/Bar chart 5. Break even chart 	Visual <ol style="list-style-type: none"> 1. Internet/email/www 2. Video-conferencing 3. Teleworking 4. Fax 5. Electronic Data Interchange (EDI)

WHAT ARE MEETINGS

Meeting

^{Def} This is a gathering of two or more people to exchange ideas and make suggestions, enabling collective decision - making.

Reasons for holding meetings

The following are some of the reasons why meetings are held

1. Provide information - To give information about plans, events, decisions made
2. Discuss an issue - To receive information - people's opinions, different opinions

3. To make decisions
4. To achieve co-ordination between different departments within an organisation

Past Exam Questions

2014 Q4 A

2011 Short Question 3(a)

Types of meetings

The following are some examples of meeting that you need to know for you exam

1. Ad hoc meetings

Def This is a once off meeting to help discuss & solve immediate problem that has arisen.

It is a meeting that takes place at short notice

The main functions an Ad hoc meeting is -

1. to discuss a matter that requires attention and that has arisen unexpectedly.

2. AGM

Def This is a meeting held once a year involving directors, shareholders of a firm discussing events of the previous 12 months & future plans

The main functions of the AGM are as follows -

1. The shareholders elect a board of directors.
2. The shareholders appoint auditors.
3. The chairperson gives a report on company performance.
4. The auditor's report presents the accounts.
5. Shareholders have an opportunity to question directors in public on company policy.
6. Declare a dividend.

3. EGM (extraordinary general meeting)

Def This is a meeting of shareholders to discuss important matters that cannot wait until next AGM

The main functions of the EGM are as follow -

1. Is to discuss an important topic that can't wait until the next AGM

4. Board Meetings

Def These are meetings of the board of directors and are usually held on a monthly basis.

Progress and performance is discussed and tactical and strategic plans are formulated.

The main functions of a board meetings is -

1. To Problem solving

Informal Meeting -

Def This meeting takes place regularly as staff members bounce ideas off each other & listen to each other's views

HOW ARE FORMAL MEETING ORGANISED?

Meeting Structure:

The two important people at a meeting are the Chairperson and the secretary The chairperson & the secretary are at the top table at meetings.

Past Exam Questions

2022 Short Question 7

2012 Q4 B

Chairperson

Def They are responsible for the running of a meeting.

Secretary

Def They are responsible for all administration work in the company

Chairperson	Secretary
<p>Duties</p> <ol style="list-style-type: none"> 1. Planning the meeting, time, date, place 2. Drawing up the agenda and notice in consultation with the secretary 3. Running the meeting, opening the meeting, welcoming those present, calling the meeting to order, ensuring that a quorum is present, making sure agenda is followed, maintaining order 4. Ensuring that the minutes of the previous meetings are read, adopted by those present, and signed. 5. Follow agenda 6. Allowing members express their views 7. Putting motions to a vote 	<p>Duties</p> <ol style="list-style-type: none"> 1. Drawing up the agenda in consultation with the chairperson (Before) 2. Sending out the notice/agenda of the meeting to all members (Before) 3. Reading the minutes of the previous meeting (During) 4. Dealing with any administration work within the company (After) 5. Writing up notes of the meeting in question (After) 6. Keeps a record of all new members/shareholders (After)

8. Summarising the main decisions made & declaring the meeting closed	
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DOCUMENTS FOR A MEETING

The following are the documents that are used for meetings

Notice

Def This is a document that is sent to the member before a meeting is to take place. IT contains the following information the type of Meeting, Place, Date & Time of meeting in question

Agenda

Def This is the programme for the meeting, that is, the list of matters to be discussed and the order in which it will be discussed (Need to know between 5-7 motions). It is sent with the notice to the members

Minutes of a meeting

Def This are a brief & accurate record of the business transacted at a meeting. It should contain details of proposals and decisions made.

TIP - You must be able to know how to write a notice, agenda (minutes have not been asked yet at higher level). Remember you need to know examples for a meeting for the first time and a meeting that have meet on more than one occasion.

Past Exam Questions
2011 short Question 3 (b)

BENEFITS AND DRAWBACKS OF MEETINGS

Benefits	Drawbacks
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1. Clarity - verbal communication can be effective and promotes understanding	1. Cost - Time involve can be quickly when an email would do
2. Rapport - help develop positive relationships. Information to be disseminated to the various stakeholders	2. Record - If there is no written record then it may be hard to remember
3. Discussions to take place on different proposals which in turn allow for good, effective decision-making co-ordination of the work of various departments.	3. Clarity - Complex details are hard to transfer verbally - Finances
4. Feedback - Easier to get responses	4. Accuracy - If the speaker is not clear it might be hard to understand them
5. Meetings allow information to be disseminated to the various stakeholders in the company	

WHAT IS A MEMO

Memo

^{Def} This is short for memorandum. This is a short-written note about a particular problem

1. They are a very common method of internal communication
2. They provide useful written record of a message to a receiver
3. They should be about one topic and as brief as possible
4. The lay out is as follows

To:

From:

Date:

RE:

Body of Memo

Signed

Past Exam Questions

2022 Short Question 5

WHAT IS AN EMAIL

Email ^{Def} This is also known as electronic mail. It is a computer-based application exchanging messages between users. A worldwide e-mail network allows people to exchange e-mail messages very quickly. E-mail is the electronic equivalent of a letter,

Past Exam Questions

2018 Q5 B

2012 Q5 A

WHAT ARE BUSINESS LETTERS**Business Letters**

^{Def} These are used in important situations where a written record of communication is required. They are used for making enquiries, requesting payment, disciplining employees, replying to letters of application of jobs etc.

Layout of letter

1. Address of sender (centre or right side)
2. Address of receiver (left side)
3. Date
4. Reference, one-line summary of what letter is about
5. Dear Sir/ Madam, Dear Mr./Mrs. Smith, Dear Peter/Joan
6. One-line introduction to letter
7. Body of letter (all details to be included)
8. Conclusion/Recommendations if appropriate
9. Close, yours faithfully (if person is not known to sender), Yours sincerely (if known to sender)
10. Signature (followed by name in print as well as position or title)
11. Encl. (details of any documents enclosed with the letter)

TIP - If you are answering this question - you **MUST** use the correct layout else you will lose a lot of marks

WHAT IS A REPORT

Reports

Def This is a formal presentation of written information about a specific topic sent to a particular person or group. Reports are used for the following reasons 1. To provide Information about progress of a project, 2. Providing a written record of some event and 3. Evaluating a study and recommending a course of action to take

Types of reports

There are different types of reports for example

1. Routine reports - made at regular intervals during the year, e.g. sales reports etc
2. Special reports - prepared on the instruction of management, requiring information about decision making

Rules of report writing

When writing a report remember the following

1. The purpose of why report is needed must be clear & have easily Understood objectives.
2. Simple language must be used.
3. Should be as brief as possible.
4. Should be presented in logical sequence.
5. Should be well researched and accurate.

Structure of a Formal Report

If you do decide to answer this in you your exam remember the layout must be followed. The layout should be

1. Title - title of report, writers name, who report is for, date
2. Terms of reference - purpose of why report is written
3. Procedure - how the information was gathered, e.g. interview, questionnaire etc
4. Findings - outline of the main findings of report, this takes up the bulk of the report
5. Conclusion
6. Recommendations - the report writer draws a conclusion to the main finding of the report & recommends possible solutions to their business failings.

7. Closing Section - the writer signs off, using his/her name and the date the report was presented

TIP - If you are answering this question - you **MUST** use the correct layout else you will lose a lot of marks

QUALITIES OF A GOOD REPORT

A good report should have the following qualities

1. Gather relevant information and deals with issues that were set out in the term of reference
2. Provide a good analysis of the subject matter
3. Assists management decision making

The advantages and disadvantage of report writing include the following

Benefits	Drawbacks
1. Can gather relevant information	1. If they are too long people won't read them
2. Can provide details research	2. Can be used to postpone making a decision
3. Can help manager make decisions	1. Recommendations can be ignored by receivers
4. Can be done by outside experts given manager time to do their job	

HOW CAN BUSINESS INFORMATION BE COMMUNICATED VISUALLY

Visual Communication

^{Def} This refers to the use of pictures and diagrams to

communicate information. The following are main methods of transferring information visually.

1. Line graph
2. Pie chart
3. Gantt chart
4. Bar chart
5. Maps
6. Pictogram

Past Exam Questions
2015 Q4 A (i)

Remember you may be asked to draw a chart. If you are always SALT - Scale, Axis, Label and Title

C. EFFECTIVE COMMUNICATION**WHAT ARE THE ELEMENTS OF EFFECTIVE COMMUNICATION?**

Effective communication involves the following

1. The sender
2. The message
3. The medium used
4. The Receiver

Past Exam Questions
2015 Q4 A (ii)

1. The Sender

Timely - The sender must send the message at the right time. For example, sending an important message on a Friday before an employee goes home will not be welcomed.

2. The Message

Accurate - The message should be accurate. Information that is not accurate can lead to misunderstanding and work not getting done. Have a thorough knowledge of the topic to be discussed. All factual information must be accurate. Have an introduction, plan of action and expected outcomes. Written and face to face communication is better than telephone.

Brief - The message should be to the point. It should give the information that the person needs and more extra jargon.

Clear - The information should be clear to the receiver. It should be in easy to understand. If the language is too technical or too difficult for stakeholders to understand then the message may be misinterpreted.

3. The Medium Used

Appropriate - The way you give the message is important. Sensitive and private information should use a secure medium. For example, Face to face with just the two parties or if you are contacting the fire brigade you would use a phone not email.

Fast - If speed is important then a telephone conversation may be appropriate for example booking a travel ticket.

Low Cost - The method of communication can vary in cost. For example, writing a letter can take time where a phone call would be quicker.

Provide a Record - It is important to keep a written record. This can avoid conflicts and misunderstandings later on if there is a disagreement about what was agreed

4. The Receiver

Feedback - The receiver should always communicate back what was said. This means that any misunderstanding can be cleared up before the leave. They should give feedback in order to take further action in relation to the product. This may be a reason for organising a meeting as it allows for immediate feedback and clarification and provides an opportunity for Paul to eliminate any misunderstandings.

Past Exam Questions
2019 Q 4 A

WHAT ARE THE BARRIERS TO EFFECTIVE COMMUNICATION?

The following are barriers and ways that the messages are not received or transferred properly. This is an important section for your exam

Barriers to Communication

1. **Language** - if too much jargon is used the message might get misunderstood. the use of jargon or unfamiliar terms can confuse the receiver leading to the message not being understood.

How to overcome this barrier - The sender has to choose language appropriate to the audience. Short clear sentences and visual supports.

2. **Listening** - if the receiver is not listening/concentrating the message might be lost

3. **Relationships** - if the relationship between the sender & receiver is poor, communication may be ineffective. A lack of trust between the parties acts as a barrier to effective communication.

How to overcome this barrier - The sender needs to build a positive relationships to ensure a trusting relationship exists. Use communications training to overcome all the barriers.

4. **No feedback** - getting no confirmation the message was received. Lack of feedback will result in queries not being answered and confusion among receivers.

How to overcome this barrier - The sender should build in a feedback mechanism into the process.

5. **Wrong method** - The medium chosen must be appropriate to the message been given.

The medium should match the formality of the communication.

How to overcome this barrier - The sender must ensure the medium is correct considering the need for feedback (telephone call) and proof that the recipient has received the message.

6. **Lack of planning** - Too much information being transferred at once will result in confusion and information overload. Too much detail can overwhelm the audience.

How to overcome this barrier - The messages should be clear and concise.

Past Exam Questions

2021 Q5 B
2012 Q4 A

CHOOSING THE METHOD OF COMMUNICATION

The following factors should be considered when choosing a method of communication

1. **Cost** how expensive is the method, telephone call, letter, fax. The expense of the communication process is a very important factor. A CEO communicating with his managers worldwide may choose to hold a virtual meeting to cut down on travel and subsistence costs.
2. **Speed** How fast can the information be transformed. If a crucial piece of information has to be communicated instantly to a supplier, then a phone call, a text or e-mail may be appropriate - to arrange a change in delivery times.
3. **Feedback/Record** The business may be looking for feedback in order to take further action. Communication with the revenue commissioners may require regular correspondence and written records and in this case business letters and e-mail can provide formal evidence of the feedback process, eliminating misunderstandings.

4. **Confidentiality** if the information is confidential the method of communication is of utmost importance, e.g. face to face meeting. The medium chosen must be appropriate to the message been given. If the message is sensitive for the stakeholder for example terminating the employment contract of an employee, then a meeting would be more appropriate than a letter or an e-mail.
5. **Language** If the language is too technical or too difficult for the Stakeholder to understand then the message may be misinterpreted. The business needs to choose language appropriate to its audience. For example In the case of customers, short clear sentences and visual supports may be suitable for product assembly
6. **Urgency** if the message is urgent, the choice of method becomes limited to options such as phone calls, faxes or e-mails.

Chapter 7

Communication

Higher Level

Past Exam Questions (For this chapter)

Short Questions**2023 - Question 12**

(a) Distinguish between two types of meetings which are common in a business

(b) Outline the benefits of meetings as a method of communication

(i)
(ii)

2023 - Question 8 (Deferred)

Circle the correct option in the case of each of the following statements.

- (i) The chairperson / secretary has the casting vote if a vote is tied.
- (ii) EGM stands for an Emergency / Extraordinary General Meeting. (iii) Quorum is the minimum / maximum number of people required to hold a meeting.
- (iv) A manager delegating work to an employee is an example of upward / downward communication.
- (v) A memorandum is an example of written / visual communication.

2022 - Question 5

Draft an email from Mike Hannon, Sales Manager to all staff at superstore.ie outlining two rights customers have under General Data Protection Regulation (GDPR).

Recipients:	
Subject:	

2022 - Question 7

	Statement	True or False
1	The treasurer is responsible for taking the minutes of a meeting.	
2	A disadvantage of meetings is that they allow for clarification and feedback.	
3	An extraordinary general meeting of shareholders must take place annually.	
4	AOB is usually listed at the top of a meeting agenda.	
5	A quorum refers to the number of members/shareholders who must be present before a meeting can take place.	

2012 - Question 3

(a) Distinguish between two types of meetings which are common in a business.

(b) Outline two benefits of meetings as a method of communication.

(i)
(ii)

Long Questions**2021 - Question 5**

- (B) Illustrate the factors that a business needs to consider when communicating with its various stakeholders. (20)

2019 - Question 4

- (A) A Chief Financial Officer (CFO) in a business needs exceptional communication skills and needs to adapt his/her communication style and message to different stakeholders.
- (i) Discuss the importance for a business of effective communication.
- (ii) Illustrate two barriers that a manager has to overcome to communicate effectively with staff, providing a different example in each case. (20)

2018 - Question 5

- (B) Draft a business letter, using today's date, from Phoenix Risk Management Ltd to Ricardo's Burgers Ltd, a fast food retailer. In your letter identify the main types of insurance Ricardo's Burgers Ltd should have and outline ways in which it could minimise business risks. Use fictitious names and addresses. (25)

2017 - Question 4

- (B) Explain the benefits to a business of having a manager who is an effective communicator. (20)

2015 - Question 4

- (A) Read the information supplied and answer the questions which follow.

Paul O'Brien is the Sales Manager with Water Solutions Ltd, a business which has recently developed a new water conservation product. Paul is due to make a presentation to the board of directors on the potential of this product. He will present the following projected sales data for the product for the next six months

Month	July	August	September	October	November	December
Sales	50,000	60,000	40,000	30,000	20,000	10,000

- (i) Illustrate the above data by means of a bar chart or a line graph.
- (ii) Outline the principles Paul should consider to ensure he communicates his message effectively to the board of directors. (25)

2014 - Question 4

- (A) Describe the functions of the different meetings held by limited companies. (20)

2012 - Question 4

- (A) Illustrate the factors that a business needs to consider when communicating with its various stakeholders. (20)
- (B) Distinguish between the duties of a chairperson and a secretary in the organising and running of an Annual General Meeting. (20)

2012 - Question 5

Read the information supplied and answer the questions which follow.

Bianua Ltd, a medium size company, operating in the agrifood sector, supplies quality prepared food products in Ireland and in the UK market.

- (A) Draft a business letter from EXON Insurance PLC to Bianua Ltd, using today's date, identifying the possible business risks and the appropriate types of insurance for Bianua Ltd. Use fictitious names and addresses. (20)