



**Management
Enrichment
Training Program**

**M37
Business
Communication
Skills**

FIRST EDITION

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CUNA

**Credit Union
National Association**

Professional Development

Basic Communication Concepts

Who benefits when you develop your communication skills? Everybody!

Communication is central to almost everything you do as a credit union employee. It is taking place, even if you're unaware of it, every time you're in the presence of another person—whether it's a coworker, a member, a director, or your boss. Good communication is so crucial to working in a credit union that it may be the most important ingredient to credit union success!

If communication skills are lacking, the member receives poor service, the staff doesn't work together cohesively, and the credit union suffers. When communication skills are at their best, the right information gets to the right people at the right time, in a form in which they can use it. Good communication is critical to every phase of management and member relations.

However, good communication doesn't just happen. It requires knowledge, and it requires practice. Your skills are enhanced when you understand the principles behind good communication. If you comprehend the way communication works and why it breaks down, you can improve the quality of communication in the credit union.

Everybody Benefits From Communication Skills

You benefit because communication skills are important to your own career. They make people view you as a true professional, and this encourages them to take you seriously. This helps you get things done in an effective

Objectives

Upon completion of this chapter, you will be able to:

- 1.** Explain why effective communication is important;
- 2.** Define three important qualities that should be communicated;
- 3.** Describe how communication works;
- 4.** List and explain ways communication breaks down;
- 5.** Enumerate four important communication principles.

manner. It also enhances your opportunities for advancement.

The members benefit from your increased communication skills, too. When you are a good communicator, the members get the information they need in a way that they can understand and use it. Your communication skills make the members feel valued and respected and help them see that the credit union is an organization that employs professionals who can be trusted with their money.

The credit union also benefits from your communication skills. When staff members communicate well, the members are happier, teamwork is enhanced, and conflict is reduced. When employees make members feel valued and respected, and give them confidence in the credit union, everyone wins, including the credit union!

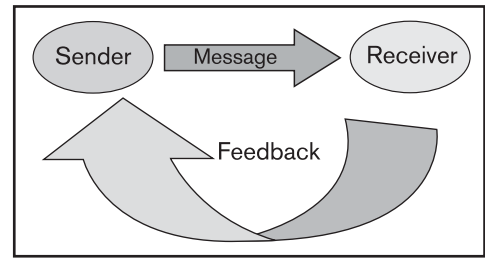
Three Important Qualities to Communicate

These three qualities are the characteristics of a true professional. Much of this book focuses on learning to project these “3 Cs,” so it’s important that you understand what they mean. Activity 1.1 helps you define these qualities.

The Communication Process

There are four main parts of the communication process, shown in this diagram: the sender, the message, the receiver, and feedback.

Considering a moment in a conversation between a member and a loan officer will help you understand how



this model of communication works.

Tami, a loan officer, is finishing up a loan interview with Mr. Thompson. She looks up from paperwork, and asks, “Did you want me to add gap insurance?”

Mr. Thompson looks confused.

Let’s analyze the parts of the communication process as they are illustrated in this brief communication example.

Activity 1.1

Evaluating Communication Skills



Give yourself 2 points for each of the following statements that describe you to a high degree. Give yourself 1 point for each of the statements that somewhat describe you.

- _____ 1. I am empathetic; I can identify with the members’ needs and feelings.
- _____ 2. I am someone who lacks self-doubt.
- _____ 3. I am engaged with the members and interested in them as people.
- _____ 4. I am intelligent and knowledgeable about the credit union, its unique philosophy and history, and its procedures.
- _____ 5. I want the members to have a great experience at the credit union and I do whatever it takes to make sure they get the service they deserve.
- _____ 6. I am experienced enough to handle most situations, questions, and problems.
- _____ 7. I am energetic and ready to deal with any situation.
- _____ 8. I am trustworthy with the members’ financial assets.
- _____ 9. I respect myself, and this encourages others to respect me.
- _____ 10. I am patient with the members’ questions, misunderstandings, and mistakes.

Total your points here: _____

- A. Record your total for statements 1, 3, 5, and 10 here. _____ These statements describe your ability to communicate the quality of caring.
- B. Record your total for statements 2, 7, and 9 here. _____ These statements describe your ability to communicate the quality of confidence.
- C. Record your total for statements 4, 6, and 8 here. _____ These statements describe your ability to communicate the quality of competence.

Are you satisfied with your scores? Are there areas in which you would like to improve, either a little or a lot? The next section describes how the communication process works, and it will help you build your skills in communicating the “3 Cs.”

Sender

The sender is the person who decides what he or she wants to communicate.

In this case, the sender is Tami, a loan officer who has received training in the concept of gap insurance. She understands that if Mr. Thompson wrecks his new car, insurance will only reimburse him for about 80 percent of its value. He needs gap insurance to cover the rest. She wants to communicate to him the importance of gap insurance.

Message

A message is a set of signals that are sent from a sender to a receiver. In this case, Tami has used her experience to compose a message about gap insurance. Tami’s primary message consists of words. However, the words themselves have no meaning—her message is nothing more than sound waves. Those sound waves must be assigned meaning by the receiver.

Receiver

Mr. Thompson is the receiver of

Tami’s message. When the sound waves enter his ears, he processes them in his brain, using his own experience to assign them meaning. However, since Mr. Thompson has no experience with gap insurance, he is confused.

Feedback

Feedback is really another message, one sent by the receiver back to the sender. It can be words or it can be body language or other symbols that let the sender know the receiver’s reaction to the prior message. In this case, Mr. Thompson’s confused look is nonverbal feedback that tells Tami he has not understood her message.

Nonverbal Communication

Tami’s words to Mr. Thompson (her verbal message) were accompanied by another type of message. When Tami looked up from paperwork and made eye contact with Mr. Thompson, she sent another type of message, one without words. Sometimes this is called “body language,” and it is one example of nonverbal communication.

Activity 1.2

Experimenting with Nonverbal Communication



Match these pictures to the nonverbal message you think the character is sending.



A.



B.



C.

- I might be interested in the product you are telling me about.
- I doubt what you are saying applies to me.
- You’re taking too much time explaining this to me.

Answers appear in appendix A.

Activity 1.2 gives you some examples of nonverbal communication.

This section has focused on the components of the communication process: sender, verbal and nonverbal message, receiver, and feedback.

Activity 1.3 gives you a chance to review these components.

Communication Breakdowns

Since human beings are involved in communication, the process has many opportunities to break down. Communication breakdowns occur when the message as interpreted by the receiver is significantly different from the message as intended by the sender. There are many ways that communication problems happen. We'll look at three of them:

- External noise;
- Internal noise;
- Differences in experience.

External Noise

Sometimes noise is something that is actually heard, and it interferes with the receiver's ability to hear the sender's message. External noise is anything in the environment of the sender or

receiver that interferes with the communication process. For instance, if you hold a conversation in a place where other conversations make it hard to hear, that's one example of external noise. If telephones regularly interrupt your conversation, that's another example.

Here's an example of a communication breakdown that occurred as a result of external noise. A credit union president told the marketing director, "I want you to order 500 blue cups with the credit union logo for the annual meeting." However, the conversation was held in a noisy restaurant, and the message was distorted. When the president got to the annual meeting, there were 500 blue baseball caps for the attendees.

Distractions can be a form of external noise, as well. If you have ever tried to have a conversation in a place where interruptions are frequent and many other things are competing for attention, you know how distractions can impair the sender's ability to accurately transmit a message and the receiver's ability to understand it.

Activity 1.4 is a self-assessment that

Activity 1.3

Case Study



Identify the four main parts of the communication process in this story.

A member walks toward the teller line. Before he reaches her window, Sharon, the teller, has already made eye contact, smiled, and has leaned toward him a little. She says, "Good morning, Mr. Stevens. How can I help you today?" Mr. Stevens smiles back.

1. Who is the sender? _____
2. Who is the receiver? _____
3. What makes up the verbal message? _____
4. Is there nonverbal communication in this example? _____
5. Is there an example of feedback? _____

Answers appear in appendix A.

helps you identify ways to reduce the frequency of communication breakdowns due to external noise.

Internal Noise

Noise and distortion of messages don't always happen because of something external to the communicators. Sometimes noise is internal. Internal noise is anything in the mind of the sender or receiver that interferes with the communication process. For instance, when one party is upset about something that occurred at home and it takes away his ability to focus on the conversation at hand, or

makes him tend to interpret every message in the most negative way possible, that's an example of internal noise.

When the sender or receiver is prejudiced in some way, that's another way internal noise can interfere with her ability to receive a message in the way it was intended. For instance, a department manager who has become convinced that people under 20 are irresponsible may tend to misinterpret things that are said in an interview with a 19-year-old applicant.

There are several things you can do to reduce problems resulting from

Activity 1.4

Ideas for Reducing External Noise



You can reduce the frequency of communication breakdown resulting from external noise. How often do you take these steps?

1. Move important conversations to a quiet area, free of noise and distractions.
 - Always
 - Usually
 - Sometimes
 - Never

2. Forward phone calls during important conversations.
 - Always
 - Usually
 - Sometimes
 - Never

3. Recognize the potential for distortion by external noise and check for understanding.
 - Always
 - Usually
 - Sometimes
 - Never

If you had any answers that were not "Always," you have room for improvement. Use this space to list improvements you would like to make in the way you manage your communication environment.

Activity 1.5

How Experience Affects Perceptions



Try this experiment. Without thinking about it, put a check mark beside the picture that comes closest to matching the mental picture you get when you think of a dog. Why did you choose that particular dog?



- Because I have a similar dog.
 - Because I had a dog like that as a child.
 - Because I know someone with a dog like that.
 - Because I recently saw a movie or picture of a dog like that.
- Other reasons _____

internal noise. You can recognize the impact of internal noise on your ability to focus. You can attempt to set aside outside stresses during important conversations, or else you can avoid having important conversations when you know stress is reducing your ability to communicate. You can identify the ways in which prejudices distort your ability to send and receive messages accurately and take steps to minimize the impact of those prejudices.

Differences in Experience

Another source of communication breakdowns is the difference in the personal life experiences of the sender and receiver. Activity 1.5 illustrates how differences in experience affect

communication.

Your choice was probably based in some way on your personal life experience. Even though everyone reading this book is reacting to the same word, there will be great variety in the images of dogs they choose. This shows that there is no specific meaning in the word “dog” itself.

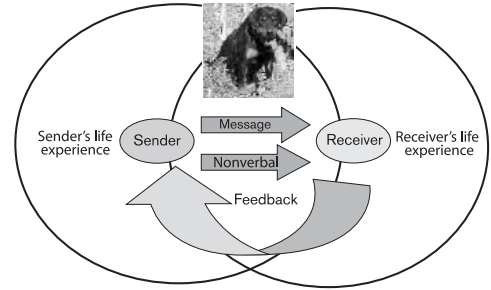
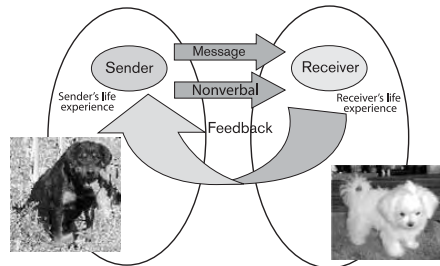
If meaning is not in the word, where does meaning come from? Meaning comes from inside the people who are communicating, based on their own personal life experience. When you read the word “dog,” it was only letters on a page until you gave it meaning, based on your own experience.

Now, let’s add the sender and receiver’s own personal life experience to the

communication model that we learned earlier. If the sender's and receiver's circles of personal life experience do not overlap (if they have little experience in common), there is potential for a breakdown in communication.

When you communicate with someone, each party brings a different per-

sonal life experience to the encounter. If the sender and receiver have some experience in common, the receiver is more likely to interpret the message in a way similar to the way the sender intended.



Activity 1.6

Avoiding Communication Breakdowns Based on Differences in Experience



Karen is a teller supervisor who tells her staff they may dress casually, but professionally, during the summer. Photo A shows Karen's mental picture of "casually, but professionally." However, Photo B shows the range of attire that Karen's staff wore.



Photo A



Photo B

Communication broke down because of the different personal life experience of the sender, Karen (age 45), and the receivers, Karen's staff (ages 20-25). Remember, the meaning in communication comes from inside the sender and receiver, not from the words themselves. The younger staff's personal life experiences caused them to interpret the word "casual" in a different way than Karen.

How could communication have been improved in this situation? Which of these solutions do you think would enhance communication between Karen and her staff?

- a. Karen could post pictures from catalogs and magazines clarifying visually the way in which she defines the word "casual."
- b. Karen could post pictures of the types of clothing she would find unacceptable.
- c. The young staff could be punished for misinterpreting the concept of casual professional attire.
- d. The young staff could recognize their potential for giving a different meaning to a word than their boss intends. They could ask clarifying questions in order to come to a common understanding.

Answers appear in appendix A.

- **Meaning is in people, not in words (or other symbols).**
- **You cannot *not* communicate.**
- **Communication makes a statement about the relationship between the sender and receiver.**
- **Perception is reality.**

Avoid Problems Based on Difference of Experience

Think of someone you regularly communicate with. Chances are, there is some difference between your experiences that will create the potential for communication breakdown. For instance, are there generational or ethnic differences? Are there differences in the part of the country where you each grew up? Maybe there are differences in professional level or in education or training.

Use those differences in experience to help you understand how your receiver will interpret the message. Consider where it may be necessary to be specific in explaining what a word means to you.

Here is an example of a credit union president who used this technique successfully.

At first, Burton was frustrated because his young tellers weren't being "friendly." Some of them seemed to think "friendly" just meant "not overtly rude." Others seemed to think "friendly" meant "extremely casual." Burton stopped saying, "Be friendly," and began to

explain the specific actions that he was hoping for. He said, "By the time the member is eight feet from your station, you must make eye contact and smile. You must use the member's name at least once during the transaction. You must say 'thank you' at the end." When Burton started communicating in this specific manner, the misunderstandings and misinterpretations of the word "friendly" ceased.

Look at the example in Activity 1.6 and see if you can determine how communication could be improved.

Four Important Communication Principles

There are four things that can generally be said with certainty about communication.

Principle One: Meaning Is in People, Not in Words

This principle is based on the concepts you learned in the last section regarding the way personal life experience controls a receiver's individual interpretation of a message.

Activity 1.7

Preventing Misunderstandings



Which of these solutions would enhance communication between Kristin and her coworkers?

- a. Kristin could remember that everything she does, says, and wears communicates something to those around her. She could be more aware of what her actions might say to her coworkers, and clarify to them that she is preoccupied, not angry.
- b. Kristin's coworkers could work hard to read nuances into everything Kristin does, assuming they know the intent behind each action.
- c. Kristin's coworkers could remember that meaning is in people, not words (or other symbols). They could keep in mind that the meaning they're assigning to Kristin's actions may not be her intended message at all. If they have doubts about their interpretation, they could ask clarifying questions.

Answers appear in appendix A.

Principle Two: You Cannot *Not* Communicate

This principle is based on the fact that we are always sending messages, whether we intend to or not. (Remember that messages can be both verbal or nonverbal).

For example, Kristin is a credit union loan processor. One morning, arriving at work, she was preoccupied and in a hurry and walked to her desk without speaking to her coworkers. They wondered if she was angry with them. Did Kristin fail to communicate with her coworkers?

Kristin's coworkers might say she failed to communicate with them, but actually, she did communicate with the staff as she walked in. Any time two or more people are aware of each other, communication occurs. Communication doesn't have to be intentional, and communication doesn't always involve words. Kristin didn't intend to send a message that she was angry with her coworkers, but that's the message they received. Use activity 1.7 to

identify ways for both parties to improve communication in this case.

Principle Three: Communication Makes a Statement About the Relationship Between Sender and Receiver

This principle is based on the fact that your words (and other symbols) and the way they are expressed say something about how you see yourself in relation to the other person. For instance, your communication tells:

- how powerful or authoritative you feel you are in comparison to the other person;
- how much you like the other person;
- how important, intelligent, or interesting you think the other person is.

Here's an example of how communication can make a statement about the relationship between a credit union employee and a member.

Mr. Simpson brings a check written to Jim *and* Sylvia Simpson to Heather's teller window to be

Activity 1.8

Perceptions



Here is a picture of a woman. How old do you think she is?

- Under 40
 Over 40



cashied. However, only Mr. Simpson has endorsed it. Heather needs to give Mr. Simpson the information that he must have both signatures on the check. She also wants to communicate that she respects Mr. Simpson and perceives him as an intelligent, valued member. She does not want Mr. Simpson to feel she is “talking down” to him.

Here are two ways Heather can choose to respond:

Response 1: “You can’t cash this check without your wife’s endorsement.”

Response 2: “I can’t cash this check for you without your wife’s endorsement, Mr. Simpson.”

There’s only a subtle difference between the two responses, but Heather should remember that the words “You can’t” tend to communicate bossiness and may even be perceived as “talking down” to the member. It implies the member *should* have known this already. For this reason, Response 1 is not as good as Response 2. The “I message” in Response 2 takes

away the condescending tone of the words, and using the member’s name softens the message.

Heather should remember that her tone of voice also sends a relational message that she respects and values Mr. Simpson as an intelligent human being.

Principle Four: Perception Is Reality

This principle is based on the fact that each person builds his own reality, based on his own perceptions and life experiences. The important thing to remember is that each person’s reality is completely real to him or her! Activity 1.8 illustrates this point.

Some people are convinced this picture depicts an old woman, and others are just as convinced the drawing shows a beautiful young woman. This is one example of how two people can see the same situation, yet perceive entirely different realities. If you saw a younger woman, you perceived the dark horizontal line near the center of the picture as her necklace. She is look-

Activity 1.9

Dealing with Member Perceptions



The phenomenon of “perception as reality” is illustrated by the experience of Samantha, a teller at Federal Credit Union. The credit union changed its name last month to better reflect its expanding field of membership. A member Samantha is serving complains, “Ever since you changed management last month, the service here has become less personal!” Samantha is perplexed, because nothing has changed at the credit union but the name. How should Samantha respond to this member?

- She should argue with the member, based on the fact that management hasn’t changed. Nothing has changed but the credit union’s name, so how could service be worse?
- Samantha should accept that this member’s perception is reality. If the member thinks service is worse, then for him, this is true. Samantha should acknowledge the member’s feelings, say she’s sorry the member has been disappointed, and promise she’ll do her best for the member today. (However, in the process, she should clarify that the credit union has not changed management, only its name.)

Answer appears in appendix A.

Activity 1.10**Four Principles Revisited**

Most of what you learn in the rest of this book is based on one or more of the four principles introduced in this chapter. Review these principles by filling in the blanks.

1. Meaning is in _____, not in words or other symbols.
2. You _____ *not* communicate.
3. Communication always makes a statement about the _____ between the sender and receiver.
4. Perception is _____.

Answers appear in appendix A.

ing back over her right shoulder. If you saw the older woman, you saw the horizontal line as her mouth, and saw her chin tucked into her fur coat.

Summary

In this chapter, you have received the building blocks for the construction of important communication skills. These skills can enhance your career, as well as improve the member's experience with the credit union and enhance the credit union's image.

These building blocks include the knowledge of how communication helps you project caring, competence, and confidence. You have also over-viewed a visual model that showed you how communication works. The four principles of communication are applicable to the topics addressed in the rest of this book. Activities 1.9 and 1.10 summarize these lessons. The next chapter helps you apply the things you have learned in chapter 1.

PLAY PAGE**Cups or caps?****Reminder:**

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