



IMPORTANCE OF COMMUNICATION IN BUSINESS

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Abstract

Communication is the act of giving, receiving and sharing information. Communication is an essential part of any business. The purpose of the study is to bring out the importance and types of communication in business. The study also deals with the objectives and role of communication. The aim of the paper is to explore the role of communication in business. The paper shows how communication is helpful in managing and attaining the goal of a business. Communication skills are very important in the business world. In a business, effective communication is how employees and management interact to reach business goal. Communication allows managers to establish and maintain interpersonal relationships as no manager can handle conflict, negotiate successfully, and succeed at leadership without being a good communicator. Effective communication affects processes, efficiency, and every layer of a business and it helps to foster a good working relationship between management and employee and between employees, which can in turn improve morale and efficiency. Strong and good communication in business will likely result in higher employee engagement. Moreover, frequent communication among employees plays a crucial role in employee engagement and productivity.

Keywords: *communication, importance of communication in business, types of communication in business.*

Introduction

Communication is the activity of conveying information. Communication is giving, receiving or exchanging ideas, data, information, signals or messages through appropriate media, enabling individuals or groups to persuade, to seek information, to give information or to express emotions. Communication is usually a two-way process, it is not just giving information to someone but it also involves the comprehension of the information by the receiver. Communication is a continuous and dynamic process involving more than one person. The communication is considered effective when it achieves the desired reaction or response from the receiver. Communication establishes relationships and makes business possible.

Communication refers to a set of techniques used for expressing ideas effectively. It is the act of conveying intended meaning from one entity or group to another. It is communication that binds people and society together and it is considered as natural and continuous process. Communication is a process of meaningful interaction among human beings. Communication results in common understanding between sender and the receiver. The essence of the communication is that it is a process- an activity that serves to connect senders and receivers of message through space and time.

Business always needs people with good communication skills. Communication is the lifeline of a business organization. It is essential for realizing the objectives of an organization. Communicate is helpful in establishing and disseminating the goals of a business organization. Communication also helps the organization in arriving at vital decisions. Communication works as an effective link between branches of the organization.



Definitions of Communication

“Communication is a composite of (a) information given and received, (b) of a learning experience in which certain attitudes, knowledge and skills change, carrying with them alternations of behavior, (c) of a listening effort by all involved, (d) of a sympathetic fresh examination of issues by communicator himself, (e) of a sensitive interaction of points of view leading to a higher level of shared understanding and common intention.” - **Ordway Tead**

“Communication is transfer of information from one person to another, whether or not it elicits confidence. But the information transferred must be understandable to the receiver.” - **G.G. Brown**

“Communication is the intercourse by words, letters or messages.” - **Fred G Meyer**

“Communication is the sum of all the things one person does when he wants to create understanding in the mind of another. It involves a systematic and continuous process of telling, listening and understanding.” – **Louis A Allen**

“The word communication describes the process of conveying messages (facts, ideas, attitudes and opinions) from one person to another, so that they are understood.” – **M.W. Cumming**

“Communication is the process of passing information and understanding from one person to another.”- **Keith Davis**

Importance of Communication in Business:

According to **Millet**, “Communication is blood stream of an organization.”

Chester I. Barnard viewed communication as the means by which people are linked together in an organization to achieve a common purpose.

The importance of communication in business is as follows:

1. Efficient and smooth running of a business

Every type of business whether small or big, public or private, communication plays a vital role. It is said that good communication is good business. The smooth and efficient functioning of a business entirely depends upon the effectiveness of the system of communication. It is the very heart of the process of organizing. It provides the necessary basis of direction and leadership. It actuates people to action in accordance with the desires of the management.

Without proper communication, performance and achievements of the goals may not be possible. It is essential to secure cooperation between any two persons. The efficient performance of employees of an organization depends on effective communication within the organization.

2. Facilitates decision making

Desired results of a business largely depend on the right decision at the right time. A communication system is a prerequisite for making a sound decision. It helps the management to take essential decision and conduct vital operations. The quality of decisions made in business entirely depends on the amount and quality of information available to the management. The quality of information depends upon effective communication.



In a business, quality of decision is based on the availability of data, facts, reports discussions and other means of communication. It is also essential to communicate a decision to the person concerned for effective implementation.

3. Proper planning and coordination

Communication is very helpful in planning and coordinating the activities of business. If the system of communication is good, useful suggestion will come from the subordinates to superiors. This would be helpful in the formation of plans. Employee participation is now considered as essential for getting the task done.

Effective planning occurs when everyone is responsible for it has access to complete information affecting areas of planning. Thus, communication is required not only for effective planning but also to ensure its better implementation.

4. Development of managerial efficiency

Management depends on communication to perform its functions such as planning, organizing, directing, controlling, motivating and coordinating. The success of management largely depends upon its capacity to get the things done properly by the employees. Management uses motivational tools through communication to influence the performance of employees.

The efficiency of management is upgraded by business communication. A managerial task can only be performed when the communication system is effective.

5. Effective leadership:

Effective leadership depends on effective communication. Two way communications helps in effective communication. A managerial leader must handle the employees. Management uses the communication as transmitter to forward its ideas, feeling, suggestion and decisions to the employees. For ordering and guiding, qualitative leadership is essential and thus a good communication skill is required. And that can be obtained from a proper system of communication.

Effective communication builds effective leadership within the organization. Under two way communication, the management can assume itself as a leader to its employees.

6. Minimize organizational conflicts

In an organization different employees are working at different levels, the conflict arise due to one or more reasons Proper communication reduces the conflicts by developing understanding. Communication helps them to know the views, problems, and thoughts of others.

Communication helps both management and employees to understand each other and hence a healthy relationship develops among them. Hence, communication helps in reducing organizational conflict which in turn helps in achieving organizational goals.

7. Higher productivity

Effective communication promotes better performance as people are able to understand their jobs and roles in best and better manner. Various sources of production such as machines, materials, money does not resulted into productivity unless and until highly motivated employees are there, and it is done with the help of communication.



Effective communication allows employees to get clear and definite instruction, which then enables them to act according to what is expected of them. Improvement in accountability then increases productivity in the organization.

8. Creates mutual trust and understanding

Mutual trust and understanding between employees and management is necessary for the effective movement and achieving the goal of an organization. When there is effective communication, it helps to reduce misunderstanding and develop mutual trust. It also gives job satisfaction to the employees, which is essential for healthy organizational relations.

The way we communicate within the organization is a primary way we build trust, along with specific behaviors and actions, communication serves as the vehicle for building mutual trust and understanding. Internal communication builds rapport among employees and managers and encourages teamwork and collaboration and thus develops good understanding among them.

Objectives of Communication

1. To exchange information

The one of the main objective of communication is to exchange information both internally and externally. Internal communication occurs within the organization through orders, instructions, suggestions, opinions etc. External communication occurs outside the organization with investors, customers, suppliers, competitors, government agencies etc.

2. To build awareness

Building awareness is essential for businesses. Most of the business spread the message about their product and services in the best way. Communication helps the businesses in building awareness. The better they can communicate with people, the more awareness they are going to get for the brand.

3. To develop a plan

The other main objective of communication is to develop a plan. Plan is the blueprint of future course of action. The plan must be formulated for attaining the organizational goals. In order to develop a plan, management requires information In this regard; the objective of communication is to supply the required information to the concerned managers.

4. To implement a plan:

Implementation of plan requires timely communication with the contented parties because once a plan is prepared, it as to be implemented. Thus, communication aims at transmitting a plan throughout the organization for its successful implementation and also for achieving the overall goals of an organization.

5. To facilitate policy formulation

To formulate the policy is yet another objective of communication. Policies are the guidelines for performing organizational activities. Policies are also termed as standing decisions to recurring problems. An organization needs to develop a set of policies to guide its operations. Thus, the objective of communication is to collect necessary information for policy formulation.



6. To promote the brand, product or service

Publicity, marketing, advertising, public relations, product releases, customer education, etc. are the parts of promotion strategy and here communication plays a most important role in channelizing all the activities. Communication is the base of all sorts of promotional and branding activities of individuals, businesses or brands.

7. To increase efficiency

For increasing the efficiency of the workforce, the managers must communicate the right practices, strategies, and things at the right time in a best personalized manner. Increasing the efficiency of the workplace along with the overall organization goals is one the most fruitful objectives of communication that ultimately get converted into increased productivity, sales and profits.

Role of Communication in Business

- ❖ Communication acts as a source of relevant information to make strategic decisions. Communication is vital tool for any business owner as it helps in sealing a deal.
- ❖ Communication helps to facilitate business innovation .With the increasing globalization of the world, a business can take positive advantage out of this and can grow its audience and customer base.
- ❖ Communication act as a major decision making factor in many organizational policies, without the complete information there is no point of making decision. Thus, communication acts as source of credible information to make strategic decisions.
- ❖ Communication is the key to the directing function of management, it is fundamental to the existence and survival of business. It helps in creating and sharing ideas, information and views.
- ❖ Communication facilities change on the part of employees by sharing the necessary information about the change and securing their effective cooperation.
- ❖ Communication act as a motivator and helps in motivating the employees and getting their cooperation. A manager can motivate his employees by using appropriate words to comment their performance.
- ❖ Communication develops proper understanding between the employees and the managers and between the employees. It leads to congenial human relations in the organization.
- ❖ Communication is also required to establish discipline and control in an organization. Hierarchies, principles and guidelines of an organization need to be communicated to employees so as to make sure that they all adhere to the process and policies.

Types of Communication in Business

There are two main types of communication in business organization:

1. Internal Communication:

When an organization communicates with its branches, staff and employees it is termed as internal communication. Internal communication is essential feature of an organizations administrative structure. The purpose of internal communication is to provide an effective flow of information between organization's departments and employees.

In modern times, the human resource department plays an important role in maintaining internal communication. Internal communication is a collective effort of the organizations group members to gather information and data, and to achieve employee engagement for the organization.



Internal communication takes the following forms:

- Face to face meetings
- Circulars, memo. Inventories
- Through computers, intranet transmittal within the organization
- Meetings, tele-conferences

2. External Communication

When an organization communicates with Government agencies, other organizations, customers, clients and public it is termed as external communication. External communication helps an organization to keep outsourcing agencies like distributors, wholesalers, retailers and clients well informed about the company's products, services, progress and goals.

All organizations have to maintain cordial relationships with government agencies, licensing authorities, suppliers of raw materials and financial institutions. The main objective of external communication is to promote business, promote public relation and fulfill social obligations.

External communication takes the following forms:

- Face to face meetings
- Telephone talks
- Faxes and e-mails
- Advertising, messaging, websites
- Notices, letters, memorandum, reports

Conclusion

Communication plays a vital role in human life and business. Communication is the means of sharing information or ideas from one person to another. It helps to exchange the information and knowledge, and develop relationship with others. Communication establishes healthy relationship and makes business possible. The study shows that communication helps business to attain its goals as communication is the blood stream of an organization. Communication is a two way process. Business always needs people with good communication skills. The more organized a business is, the more complex is its communication requirement. Effective communication is of great significance in the emerging global business scenario.

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